Greencore

FRESH TASTE. FRESH APPROACH.

Greencore Group plc | Annual Report and Financial Statements 2023

About us

Greencore Group plc is a leading manufacturer of convenience foods. We are proud to supply a wide range of chilled, frozen and ambient foods to some of the most successful retail and food service customers in the UK.

In this report

Strategic Report

Directors' Report

Financial Statements

Other Information

Our FY23 Annual Report and Financial Statements (this 'Annual Report') can be downloaded as a PDF from this location: https://www.greencore.com/investor-relations/results-centre/

Financial highlights[1]

Revenue
£1,913.7m
(Reported: +10.0%) (Pro Forma: +13.5%)

Group Operating Profit
£66.0m
(FY22: £52.1m)

Basic Earnings per Share (Basic 'EPS')
7.2p
(FY22: 6.2p)

Adjusted Operating Profit
£76.3m
(FY22: £72.2m)

Adjusted Earnings per Share (Adjusted 'EPS')
9.3p
(FY22: 9.2p)

Free Cash Flow
£56.8m
(FY22: £58.7m)

Profit before taxation
£45.2m
(FY22: £39.8m)

Return on Invested Capital ('ROIC')
8.9%
(FY22: 8.4%)

Adjusted Profit Before Tax
£58.1m
(FY22: £59.8m)

1. The Group uses Alternative Performance Measures ('APMs') which are non-International Financial Reporting Standards ('IFRS') measures to monitor the performance of its operations and of the Group as a whole. These APMs along with their definitions and reconciliations to IFRS measures are provided in the APMs section on page 177.

Certain statements made in this Annual Report are forward-looking. These represent expectations for the Group's business, and involve known and unknown risks and uncertainties, many of which are beyond the Group's control. The Group has based these forward-looking statements on current expectations and projections about future events based on information currently available to the Group. These forward-looking statements include all statements that are not historical facts and may generally, but not always, be identified by the use of words such as 'will', 'aims', 'achieves', 'anticipates', 'continue', 'could', 'develop', 'should', 'expects', 'is expected to', 'may', 'maintain', 'grow', 'estimates', 'ensure', 'believes', 'intends', 'projects', 'sustain', 'targets', or the negative thereof, or similar future or conditional expressions.

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future and reflect the Group's current expectations and assumptions as to such future events and circumstances that may not prove accurate. A number of material factors could cause actual results and developments to differ materially from those expressed or implied by forward-looking statements. There may be risks and uncertainties that the Group is unable to predict at this time or that the Group currently does not expect to have a material adverse effect on its business. Accordingly, no assurance can be given that any particular expectation will be met and you should not place undue reliance on any forward-looking statements. These forward-looking statements are made as of the date of this Annual Report. The Group expressly disclaims any obligation to publicly update or review these forward-looking statements other than as required by law.

At a glance

WHO WE ARE

Supplying the UK market with high quality convenience foods

Our customers

We supply all of the major supermarkets in the UK. We also supply convenience and travel retail outlets, discounters, coffee shops, foodservice and other retailers. Some of our principal customers include:

ALDI, ASDA, Boots, Poundland, Caffè Nero, Lidl, M&S, Morrisons, Sainsbury's, Co-op, Shell, bp, Tesco, Waitrose & Partners

What we do and where we operate

Manufacturing

We operate 16 world class manufacturing sites, comprising of eight sandwich units, five chilled ready meal units, three salad units, two sushi units, two chilled soup and sauces units, one chilled quiche unit, one ambient cooking sauce and pickles unit and one Yorkshire Pudding unit.

Distribution

We have built a strong Direct to Store distribution operation comprising over 645 vehicles, three regional distribution centres and 14 transport hubs.

Locations

- Corporate head office
- Manufacturing sites
- Distribution centres
- Transport hubs
- Corporate services centre

Manufacturing sites

16

Distribution centres and transport hubs

17

Distribution vehicles

645+

Our year in numbers – items produced in FY23

Chilled ready meals

132m

Jars of cooking sauces, dips and pickles

245m

Chilled soups and sauces

45m

Sandwiches and other food to go items

779m

In FY22, we produced 127m chilled ready meals; 249m jars of cooking sauces, dips and pickles; 47m chilled soups and sauces; and 795m sandwiches and other food to go items. FY22 was a 53 week period. The items produced in FY23 relate to the 52 week period from 1 October 2022 to 29 September 2023.

Our strategic framework

HOW IT ALL CONNECTS

We are defined by…

Our purpose

Our purpose, *making every day taste better,* defines and inspires us.

Having a clear purpose and using it as a guiding principle to the way we operate supports the direction we choose to take, inspires our strategy and how we deliver against it.

It benefits our people, our customers, our suppliers, our consumers, our local communities, the wider environment and ultimately our shareholders.

Read more on page 64

Which guides…

Our strategy

We are one of the UK's leading convenience food producers. We have built this position through long-term partnerships with major UK retailers in attractive product categories.

Our strategy is focused on accelerating financial returns and delivering growth from these partnerships, across three horizons:

Horizon 1: Stabilise (FY23)

Stabilise the business, operationally and financially, to provide a platform for future development.

Horizon 2: Rebuild (FY24 to FY26)

Rebuild our profitability and returns, through choices on where we play, strengthening the model for how we win, and investing in foundational, enterprise-wide enablers.

Horizon 3: Grow (FY24 to FY28)

Grow the business over time, by broadening our portfolio through selective and disciplined investment.

Read more on page 18

And we do that by following...

The Greencore Way

The Greencore Way is built on four elements:

People at the Core

By embedding a safety culture, providing inspiring leadership and having engaged and effective teams, we ensure that people are at the core of our business.

Great Food

Ensuring food safety, leading on taste and winning on quality are all essential to our continued success.

Sustainability

Sustainability underpins all areas of our business from Sourcing with Integrity to Making with Care and Feeding with Pride.

Excellence

We strive for excellence in everything we do by building capability, driving efficiency and delivering value for all our stakeholders.

Bringing to life sustainability through our...

Better Future Plan

Our *Better Future Plan* is built around three pillars: Sourcing with Integrity; Making with Care; and Feeding with Pride.

Each pillar contains a set of priorities — with aspirational goals supported by milestone targets which relate to the most pressing sustainability risks and opportunities facing us as a business and the food system within which we operate.

Sourcing with Integrity

By 2030, we will source all our priority ingredients from a sustainable and fair supply chain.

Mapping our plans to the following UN Sustainable Development Goals

10 Reduced inequalities | 13 Climate action | 14 Life below water | 15 Life on land | 16 Peace, justice and strong institutions | 17 Partnerships for the goals

Making with Care

By 2040, we will operate (Scope 1 and 2) with net zero emissions.

Mapping our plans to the following UN Sustainable Development Goals

6 Clean water and sanitation | 7 Affordable and clean energy | 12 Responsible consumption and production | 13 Climate action | 17 Partnerships for the goals

Feeding with Pride

By 2030, we will have increased our positive impact on society through our products.

Mapping our plans to the following UN Sustainable Development Goals

2 Zero hunger | 3 Good health and well-being | 9 Industry, innovation and infrastructure | 17 Partnerships for the goals

Read more on page 22

Our business model

DELIVERING BETTER RESULTS

Our inputs

People
c.13,600

Ingredients
c.3,800

Manufacturing sites
16

Distribution fleet
645+

Invested capital
c.£700m

Managing our risks

We recognise that effective risk management is critical to our success. An Enterprise Risk Management ('ERM') framework supports informed decision-making and ensures that risks are understood, evaluated, and mitigated. The Group's ERM framework combines both a top-down and bottom-up approach to risk management, with structured, systematic oversight provided by the Risk Oversight Committee and Audit and Risk Committee, and supported by refreshed and standardised risk management methodologies.

Read more on page 49

Sourcing with Integrity

We are committed to ensuring that the raw materials we use in the products we supply to our customers are sourced sustainably and responsibly.

Subject matter experts sit within our Technical team and work with our Purchasing and Sustainability teams to reduce complexity and risk within the supply chain. We source our raw materials from local suppliers where feasible, and we have also developed long-term strategic partnerships to support effective, sustainable and transparent supply chains.

Number of ingredient suppliers we source from
c.300

Percentage of ingredients sourced from UK-based suppliers
c.90%

Stakeholder value creation

For each of our stakeholders, we aim to add value by:

Shareholders
Creating sustainable value through disciplined capital allocation.

See Operating and financial review on page 44

Suppliers
Partnering with suppliers to achieve goals and drive sustainable growth.

See Sustainability on page 25

Consumers
Addressing key consumer demand drivers through food innovation.

See Market trends on page 16

Customers
Providing best-in-class customer outcomes and satisfaction.

See Strategy on pages 18 to 21

Colleagues
Investing in career development to shape career opportunities to engage, reward and retain our people.

See People at the Core on page 30

Community
Creating stronger and healthier communities through education and food-focused engagement.

See Sustainability on page 28

Making with Care

Our great food is underpinned by our dedication to food safety, taste and quality.

We source and prepare our great food to the highest food safety standards every day. Our customers and their consumers can trust what we make. We work relentlessly to ensure that we reach industry-leading food quality standards in everything we do. We also leverage our expertise in food manufacturing and assembly to provide 'ready to eat' products using processes that are hand-crafted and in environments that are categorised as 'high care'.

Number of different products produced by Greencore

c.1,600

Internal and external audits across all sites during the year

c.22,000

Feeding with Pride

We design products with taste, freshness, health and affordability in mind, and ensure that they are packaged and distributed as efficiently and responsibly as possible.

We work closely with our customers to innovate and improve recipes and technologies that add value for them. This is done across a range of product categories including sandwiches, salads, sushi, chilled snacks, chilled ready meals, chilled soups and sauces, chilled quiche, ambient sauces and pickles, and frozen Yorkshire Puddings. We distribute through our chilled distribution network to customers' distribution centres and to selected food outlets through our dedicated fleet of over 645 Direct to Store vehicles.

Number of daily deliveries by our Direct to Store vehicles

10,400+

Sandwiches and other food to go items produced in FY23

779m

Chair's statement[1]

Leslie Van de Walle

"The pressure from inflationary increases across commodity and other operating costs in the business were proactively addressed by implementing a number of measures to improve Group profitability."

This is my first annual statement as Chair of Greencore, and my time to date has reinforced my view of the Group's excellent fundamentals and its significant potential for growth.

Our leading market positions in attractive food categories, deep relationships and long-term partnerships with leading UK retailers and well-invested facilities, combined with a robust balance sheet, create an excellent platform for growth.

1. The Group uses Alternative Performance Measures ('APMs') which are non-International Financial Reporting Standards ('IFRS') measures to monitor the performance of its operations and of the Group as a whole. These APMs along with their definitions and reconciliations to IFRS measures are provided in the APMs section on page 177.

Reported Revenue Growth

10.0%

Operating Profit Growth

26.7%

Introduction

Having demonstrated the resilience of the business during the COVID-19 pandemic the business is well positioned to continue its leadership role in the convenience food sector, but also has the opportunity to refresh and rebuild its approach as we continue to adapt to inflationary market conditions.

Managing the turnaround of the business with a refreshed team

The Group delivered year-on-year revenue growth of 10.0%, through a combination of volume growth, including new business wins and price mix, while also recovering significant levels of inflation. Revenue in FY23 of £1,913.7m (increased 13.5% on a pro forma basis and Adjusted Operating Profit increased 5.7% to £76.3m (Operating Profit increased 26.7% to £66.0m).

I want to commend our Chief Executive Officer ('CEO'), Dalton Philips and the entire management team who have delivered the strong result in FY23. In addition to Dalton being relatively new in the CEO role, several new senior executives have brought in additional skillsets and insights and have been pivotal in refreshing the Group's business model and strategic framework. The Group Executive Team has applied a rigorous, returns-based assessment approach across all aspects of the Group's activities including individual products, contracts, categories and sites. Across FY23, the application of this approach began to bear fruit and the operational and commercial benefits became more evident in the second half of FY23, with the business achieving the Group's strategic goal of stabilising the business (Horizon 1) (see pages 18 to 21 for more information on Our Strategy).

As we move into FY24, the same approach will be applied across Horizon 2 of the Group's new strategic framework. We expect this to continue to enhance the focus and the returns profile of the Group, but also to help mitigate the continued inflationary pressures from increased labour, utilities and interest costs. The goal of Horizon 2 is to create a more focused, higher return and cash-generative growth platform. The Board fully supports the approach adopted which will continue to improve the fundamentals of the business.

Inflation recovery

The pressure from inflationary increases across commodity and other operating costs in the business were proactively addressed by implementing a number of measures to improve Group profitability.

Inflation incurred was largely recovered through a combination of pass-through of input costs and other mechanisms including product and range reformulations, and alternative sourcing. This was achieved while continuing to innovate for our customers through the launch of approximately 400 new or reformulated products, within the Group's total stock keeping unit ('SKU') range of more than 1,600 products.

A refreshed focus on contract returns and capacity management was deployed during the year, to recover margin from lower-value business and contract extensions agreed during COVID-19. We also proactively exited a number of contracts and product lines which were delivering sub-optimal returns, as we focused on maximising returns and manufacturing capacity utilisation. These decisions are important in both freeing up capacity across the business which can be re-purposed more profitably, and in driving the overall profitability of the Group.

The Group completed the *Better Greencore* change programme in H2 FY23, delivering the annualised benefits targeted of £30m. This supported the mitigation of fixed cost and overhead inflation. As part of this, the Group operating cost structure was reset, through a realignment of the organisational structure. This unfortunately required a reduction in headcount in March 2023, which resulted in approximately 250 colleagues leaving the business, in addition to a further 100 vacant roles being removed from the structure. I want to acknowledge the contribution and commitment made by these colleagues in building Greencore over the years and we wish all our former colleagues well for the future.

Cash flow and balance sheet

During the year, we have continued to successfully manage the Free Cash Flow generated by the business, enabling us to reduce Net Debt (Pre-IFRS 16 *Leases*) to £154m from £180m in FY22, with the leverage covenant at 1.2x as at the year end. The Net Debt position benefited from the sale of the edible oils business, Trilby Trading Limited. This disposal allows us to increase our focus on the convenience food market.

In FY22, the Group announced plans to return £50m to shareholders over the following two years. Following completion of our most recent share buyback programme during FY23, the Group has now returned over £35m to shareholders and aims to complete the value return programme by March 2024. We retain the ongoing flexibility to return value in the form of buyback, dividends or both and will continue to regularly assess our capital returns policy.

Chair's statement continued

"Our colleagues have worked tirelessly with both our customers and suppliers to maintain outstanding operational service levels."

Customers, colleagues and service levels

Our colleagues have worked tirelessly with both our customers and suppliers to maintain outstanding operational service levels. We have continued to achieve excellent customer service levels, which is particularly pleasing given the unprecedented input costs inflation experienced.

Stakeholder engagement

In order to understand their expectations and concerns, I met with a number of our major institutional investors. These interactions have remained insightful and instructive and have provided valuable feedback for the whole Board. Further details on our engagement with stakeholders is set out at pages 68 to 73.

Board changes and corporate governance

During the year, we announced that Catherine Gubbins will be joining the Group as Executive Director and Chief Financial Officer ('CFO') with effect from early 2024. Catherine has a proven track record as CFO, and we believe her depth of experience will be of significant benefit to the Group.

This appointment follows the departure of Emma Hynes who stepped down as Executive Director and CFO in May 2023. Emma made a significant contribution to the evolution of the Group and on behalf of the Board, I would like to extend our appreciation to her. To ensure a smooth transition, Jonathan Solesbury has assumed the role of Interim CFO during the transition period.

FY23 saw the refreshment of the Board as it continues to develop to reflect the current and future needs of the Group. Having joined the Board in December 2022 as independent Non-Executive Director and Chair Designate, I became Board Chair following the retirement of Gary Kennedy on conclusion of the AGM in January 2023. All of us in Greencore were deeply saddened by the passing of Gary, shortly after his retirement from the Board. Personally, it was a great pleasure to work with Gary, albeit briefly. Gary brought great passion, generosity, and dedication to the Group during his tenure and will remain greatly missed.

In February 2023, we were very pleased to welcome Alastair Murray as a Non-Executive Director and as Chair of the Audit and Risk Committee, and in April 2023, Harshitkumar (Hetal) Shah joined the Board as Non-Executive Director and as a member of the Audit and Risk Committee. Both Alastair and Hetal bring strong financial expertise as well as extensive food industry experience to the Board. Helen Weir and Paul Drechsler both retired from the Board during the year. They took with them the thanks of the Board for their service to Greencore and our best wishes for the future. As a result of these changes, the Committee membership was also refreshed. In November 2023, John Amaechi and Sly Bailey advised the Board that they would not seek re-election at the 2024 AGM. I would like to thank both John and Sly for their insightful and valuable contributions to the Board. Ensuring our Board has the diverse skills and experience needed to support the development of the Group will remain a priority for me during FY24 and a key element of overseeing a high-functioning Board. Further details on Board and Committee refreshment can be found on pages 78 to 81.

Understanding and taking into account the significance and importance of each component of environmental, social and governance related issues to the business of the Company, the Board formed a new Sustainability Committee. Further information on the work undertaken in this area can be found on page 107.

Conclusion

I would like to express the appreciation of the Board to all our colleagues for their contribution throughout the year. The Group's strong performance and strategic development was achieved thanks to the continued focus, commitment and innovation of the Group's 13,600 colleagues, and the clear leadership and dedication of our management team.

Outlook

The Group continues to focus on improving profitability and is investing in a number of initiatives focused on both optimising our network and our IT infrastructure, to give us the platform for future growth. Our stronger balance sheet provides the financial flexibility to underpin this growth. We are pleased with the start to the year and although it's early days, the Group remains confident in delivering FY24 within the range of current market expectations.

Leslie Van de Walle
Board Chair
27 November 2023

Chief Executive's review[1]

Dalton Philips

"We have delivered a positive performance in FY23, with revenue increasing to £1,913.7m, growth of 10% on reported revenue and 13.5% on a pro forma basis and Adjusted Operating Profit having increased 5.7% to £76.3m (Operating Profit increased 26.7% to £66.0m)."

Our Greencore colleagues have responded brilliantly to the challenges we have faced this year, they have once again demonstrated the exceptional quality of the team. Their resilience, drive and determination has allowed us to build a strong platform to deliver future growth and make progress on our longer-term strategic objectives.

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BUILDING A STRONG PLATFORM TO DELIVER FUTURE GROWTH

Introduction

I would like to thank our entire team for their continued commitment during FY23 and beyond, as well as thanking our suppliers and customers, with whom we work in partnership. It has been another turbulent year in the macro-economic environment, and it would not have been possible to achieve what we have in FY23 without their continued support. I truly believe that through the challenges of the last few years, Greencore has become even more resilient and is now a more robust business that is better equipped to deliver future growth.

We were all deeply saddened at Greencore by the passing of Gary Kennedy, our former Board Chair, during the year. Gary brought great zeal and commitment to his role at Greencore and on a personal level, it was a great pleasure to work alongside Gary. Gary will remain greatly missed by all of us here at Greencore and beyond.

Positive FY23 performance

We have delivered a positive performance in FY23, with revenue increasing to £1,913.7m, growth of 10.0% on reported revenue and 13.5% on a pro forma basis and Adjusted Operating Profit having increased 5.7% to £76.3m (Operating Profit increased 26.7% to £66.0m).

There has been continued inflationary pressure across our cost base and although we have seen some easing as the year progressed, the inflation recovery has still been very significant. The team have continued their laser focus on inflation during FY23 and it continues to be well controlled and mitigated through a combination of pass through of cost increases, cost reductions, product and range reformulations and alternative sourcing.

Our positive FY23 performance was underpinned by our strong financial position, with Net Debt on a pre-IFRS 16 basis reducing to £154m and leverage reducing to 1.2x which is now comfortably within our medium-term target range of between 1.0–1.5x.

Our strong financial position has allowed continued focus on our commitment to return £50m to shareholders by May 2024, recently launching our fourth share buyback programme since May 2022. The most recent programme commenced on 10 October 2023 and will end no later than 30 March 2024 and will conclude the £50m commitment. With our strong balance sheet and continued optimism around our business prospects, we retain the ongoing flexibility to return value in the form of buybacks, dividends or both and will continue to assess our capital returns policy.

During the year, a refreshed approach was taken on contract returns and capacity management to recover margin from lower-value business. This led to the Group proactively exiting a number of contracts which were delivering sub-optimal returns, as we continue our focus on rebuilding profitability and returns. We increased our focus on the convenience food market with the sale of the edible oils business, Trilby Trading Limited.

Revenue growth reflected the successful recovery of cost inflation, with both Food to Go and Other Convenience categories growing strongly on a pro forma basis.

Volume growth in the year was positive and our core business is well-positioned despite challenges in the wider market, and we outperformed the market in our key categories.

Adjusted Operating Profit improved year-on-year in the second half, reflecting our continued focus on driving operational improvements across the business underpinned by our commitment to quality and customer service. Across the summer, at peak production periods, our customer services levels remained outstanding at 99.1%, with customer services levels at 98.5% across the whole of FY23.

In what has been the first year with our new Group Executive Team in place, I am delighted with how the team has hit the ground running and embedded themselves into the business. We also welcomed Jonathan Solesbury as Interim Chief Financial Officer ('CFO') in June 2023. Jonathan has provided huge value to us through his extensive experience across senior finance roles from both the food and beverage industries. I want to thank Emma Hynes who stepped down as CFO in May 2023. Emma made a significant contribution to Greencore and supporting me when I joined the business last year.

Strategic progress

We made progress on resetting our strategy during the year. We have set clear goals across our three horizon framework; firstly to stabilise the business (achieved in FY23), secondly to rebuild our profitability and returns and thirdly to further develop our strong growth platform. While we have made good strides in stabilising the business in FY23, there is more work to do to unlock our full potential. Our three horizons framework will guide the prioritisation and sequencing of our long-term strategic objectives.

We recognise that returns on capital are variable across the Group and in aggregate are not yet where they need to be. Through FY24 and beyond, we will address underperforming areas of the business to ensure we rebuild profitability and returns.

We also need to reinvigorate our growth trajectory. We expect to achieve this through a combination of continuing to strengthen and develop our partnerships with existing customers, and by diversifying our portfolio, category and channel exposure.

We need to continue to work closely with our customers to ensure we are jointly making the appropriate decisions on simplification and targeted innovation.

Chief Executive's review continued

There have been some great examples of innovation this year, including the Freshly Prepared range within M&S and Kitchen Deli within Sainsbury's.

Further out, investment decisions will continue to be guided by disciplined capital allocation and we may supplement the Group's organic development through selective bolt-on M&A, which fits with our growth strategy.

People at the Core

As I mentioned last year, the first thing that hits you on spending any length of time at Greencore, is the exceptional quality of the people. We are nothing without our people and our 13,600 colleagues are our most valuable asset.

Nonetheless, it is imperative that we rigorously and continuously mange our cost base and as such, we had to make the difficult decision to reduce headcount by 250 as part of the realigning of the organisation during FY23.

In parallel, we need to ensure that we are an employer of choice, to ensure we can attract and retain the best talent. Greencore is already an incredibly diverse organisation, and it is important for us to ensure that everyone's experience of working with us is one of inclusion, because we know that diversity does not work without inclusion.

We believe we can ultimately differentiate our business through our colleagues, so it is important to us that we create a culture where our people can be themselves and fulfil their potential. By focusing on inclusion and diversity, we can make better business decisions, informed by diverse perspectives. We can better reflect our customer and consumer needs, and therefore better anticipate change and respond with agility.

A sustainable future

We are three years into our *Better Future Plan* sustainability journey, but we recognise that our progress to date has not been sufficient to drive transformational change in all areas. This year marked the start of the next chapter of our sustainability improvement programme at Greencore with the launch of our Plan Ownership Model.

We need to deliver change at scale and pace to reach our targets and make a meaningful contribution to a sustainable, more equitable food system and as such, we have been focusing on ownership of action and refining our priorities. The new Plan Ownership Model was introduced in April 2023, and sees a Plan Owner within relevant business functions take responsibility for each element of our *Better Future Plan*, from sustainable packaging and food waste to healthy and sustainable diets and communities.

Our Plan Owners are specialists in their areas and already work closely with day-to-day teams, our value chain and third parties, so they are in the best position to drive change. With the overall strategy workload now shared in a partnership model between the Sustainability team and focused specialist Plan Owners within the business, we seek to enable faster change, broader business engagement with the strategy, and the deeper embedding of sustainability within the business.

Further ahead

We have made a positive start to FY24 in what continues to be a tough trading environment. Our key categories remain resilient, positioning us well for growth, with our customers recognising the level of service and quality that we provide.

In the near-term we know we need to remain resolute in our approach to commercial and operational excellence, to support improved efficiency and help rebuild margin, whilst developing our technology capability.

I believe that there is still huge potential to unlock in the business. I am confident that our strengths, which include the depth of our relationships with our customers, the categories in which we operate, the quality of products we produce and our strong

"Great food is at the heart of what we do. We recognise that as a major player in the UK food industry, we have **a clear responsibility to improve food outcomes** for both consumers and for wider society."

financial position, will continue to support further successful development of the business in the longer term.

As ever, we will continue to work hard on this in the months ahead as a team. I am also very much looking forward to welcoming Catherine Gubbins, who joins us as Executive Director and CFO in 2024.

Finally, I would like to re-iterate my gratitude to my colleagues, customers, suppliers, shareholders and other stakeholders for their continued support in FY23. We are confident for the future and excited about the prospects for the Group.

Dalton Philips
Chief Executive Officer
27 November 2023

Read more on our Strategy on pages 18 to 21

Read more on Sustainability on pages 22 to 39

Market trends

USING INSIGHTS TO DRIVE OUR BUSINESS FORWARD

Healthy and sustainable diets

There is a growing awareness of environmental and public health issues that is increasing the urgency for change towards a healthier and more sustainable way of eating, with eating patterns that promote both personal health and the health of the planet.

People can find health and sustainability confusing, and they are looking to retailers and manufacturers to support, guide and lead the way through making our products healthier and reducing their environmental impact. We have a responsibility to use our influence to drive positive system change and improve food outcomes for consumers and the wider society. Through our own research and externally-published reports, we continue to closely monitor consumer attitudes and priorities, especially during these turbulent times with many additional pressures on households.

Our Healthy and Sustainable Diets Policy has four key action areas:

- product reformulation – reformulation to improve the nutrition and sustainability of our existing products, whilst maintaining quality;
- positive health – adding specific ingredients (such as vitamins, minerals, pro/prebiotics and fibre) to improve the overall health of our products;
- future of protein – rebalancing our product ranges to use more plant-based protein and reduce the carbon footprint associated with animal proteins; and
- more vegetables – increasing the vegetable content of our products and changing the balance of our portfolio to include more vegetable-based products.

Cost-of-living impact

Many are facing financial strain. Escalating living costs are concerning, particularly in terms of groceries and personal finances, which could be indicative of the retail or consumer goods sector, where prices directly impact consumers' disposable income. Real wages in multiple UK regions are expected to remain significantly below pre-COVID-19 levels until 2025, and wealth inequality is expected to increase.

According to our own research, over 65% of respondents expressed significant distress over the cost of living impact. We have seen that increased food prices and economic instability have led to higher financial stress among individuals. Greencore research shows that 73% of respondents are worried about the cost of food and other groceries.

However, although consumers are facing challenging times, our categories have been relatively resilient – in particular Food to Go, whereby the category has remained in high purchase frequency with 50% buying Food to Go items in the week to 1 October 2023 (this is +5 percentage points versus pre-pandemic levels).

Busy lifestyles

Economic pressures are contributing to busier lives as individuals look to take on overtime, second jobs or 'side hustles' to counteract falling discretionary income.

Scratch cooking is at a five-year low, with convenience-based meals at a five-year high. Low effort is important to people as the time they spend on food preparation declines.

Sales of Greencore's categories are driven predominantly by the need for convenience. As the pace of life intensifies more people turn to convenience foods for speed and ease.

Capturing insights and data

We have a dedicated team of insight and category professionals reviewing multiple sources of market, shopper, and consumer intelligence daily to unlock key insights. We actively seek out, analyse, and interpret relevant information to drive and activate category strategies and innovation.

We track, measure and report on data and insights to give us both a top-down and bottom-up view of the themes and trends impacting our business and categories. We are constantly striving to ensure we partner with the best agencies, are using the latest and quickest technology and robust methods, including rapidly evolving artificial intelligence ('AI') to ensure we stay on the pulse and have the deepest level of consumer and market understanding across all our sectors. We work hard to review all variables by analysing end point-of-sale, loyalty, and panel data to understand granular shopper behaviour (the 'what') and we overlay this with our proprietary quantitative and qualitative consumer and shopper research to understand sentiment and motivations (the 'why'). We use this insight and understanding to develop our category growth strategies with our customers.

Treat and reward

Treat occasions continue to play an important role across our categories. Falling household incomes have driven changes to the way people shop and eat as they find ways to adapt and manage their spending.

Food is increasingly important to our mental wellbeing and can be used to create memories, fun, and moments to share. Small, affordable treats in the form of food provide momentary escapes from life's challenges and pace. People will trade up and reallocate their spend to occasions they feel are more important. These tend to be more emotive special occasions, especially weekends and evenings.

We are still eating out more than we were last year (some more than others) but are more likely to choose more premium treat options if it is part of a wider trade down to in-home. Product ranges that fulfil these treat needs are important for both at home and on-the-go occasions.

Total food to go market value

£20bn

Best-in-class partner agencies

20

Responses by consumers to bespoke questions on our survey platform

6m

Active members of our online consumer community

c.1,500

Reputable agency sources providing continuous end point-of-sale, loyalty panel and market data

7

Individual topics discussed with consumers in our proprietary community

40+

Source: Internal Greencore Insight team

Strategy

OUR STRATEGY

We are one of the UK's leading convenience food producers. We have built this position through long-term partnerships with major UK retailers in attractive product categories, supported by outstanding innovation and manufacturing capability.

Our strategy is focused on accelerating financial returns and delivering growth from these partnerships, across three horizons:

- **Horizon 1: Stabilise** Having faced very material external and internal disruption in recent years, our focus for FY23 has been on stabilising the business. We are pleased that despite a challenging first half, we have managed to achieve this stabilisation and deliver year-on-year Adjusted Operating Profit growth.
- **Horizon 2: Rebuild** As we enter FY24, we now move to further rebuilding the profitability and returns of the Group. Our goal for Horizon 2 is to create a more focused, higher return and cash-generative growth platform. We will do this through tight management of our portfolio, development of commercial and operational capability, rigorous cost control and choiceful investment in foundational, enterprise-wide enablers.
- **Horizon 3: Grow** Our business operates in categories which are outperforming the wider food market, and we are well-positioned to continue to outperform our competitors in these markets. However, our ambition is to further strengthen our growth trajectory over time, by broadening our portfolio, through selective and disciplined investment.

Horizon 1: Stabilise
FY23 – this year

Our first horizon has been focused on stabilising our organisation and our performance.

Recent years have seen our performance and profitability materially impacted by a series of external and internal factors. Externally, we faced pandemic-related disruption, impacting not just demand, but also labour markets and our supply chain. No sooner had the acute impacts of these challenges normalised, than we faced knock on impacts of unprecedented levels of inflation, and a requirement to deliver inflation recovery with our customers significantly in excess of historical norms.

In parallel to this, we have gone through significant internal change – the Board and Group Executive Team have been reset, with three new Non-Executive Directors (including our Chair) and four of the seven members of the Group Executive Team (including our Chief Executive Officer ('CEO')) new in role since September 2022. We have also reorganised from running multiple business units to running a single, functional integrated model through our Better Greencore change programme and have subsequently further reduced our salaried population in the early part of FY23.

Against that backdrop of change, the Group has been focused in recent months on stabilising both our organisation and performance. This has been delivered through a series of commercial, operational and cost control interventions. We are pleased to note that the outcome of this is that despite the challenging backdrop, and a decline in profitability in H1 FY23, we have delivered year-on-year growth in Adjusted Operating Profit for the full year of 5.7%.

Horizon 2: Rebuild
FY24 to FY26 – the next three years

Our second horizon is focused on rebuilding our profitability and returns.

We have a clear focus over the medium term on rebuilding our profitability and returns, to create a more focused and scalable growth platform. We will do this across three broad areas.

The first area is focused on where we play – and in particular, the selection of portfolios we operate in and the strategies we build to win in these portfolios. In FY23, we have completed an assessment highlighting variable profitability and returns across our portfolio. Through Horizon 2, we will be focused on further developing outperforming categories, while for underperforming areas we aim to either improve returns or scaleback.

The second area is focused on how we win – this brings together our approach to Commercial Excellence, Operational Excellence and a rigorous commitment to Cost Effectiveness. Collectively, this is about consistently and systematically deploying the right people, processes and tools to enhance how we manage every line of our profit and loss account – from volume and revenue management, to conversion efficiencies and fixed costs.

The third area is focused on the Group's enterprise-wide enablers. These are foundational elements of our success, bringing together our commitment to putting People at the Core of all that we do, our ambitious Sustainability Strategy (read more on pages 22 to 39), and a focus on improving our core enterprise-wide processes and supporting technology, starting with material investment in FY24 to this end.

Where we play

Portfolio Selection and Growth

How we win

Commercial Excellence | Operational Excellence | Cost Effectiveness

Enterprise-wide enablers

Technology-enabled processes

Sustainability

People at the Core

Horizon 3: Grow
FY24 to FY28 – the next five years

Our third horizon is focused on driving sustainable growth in our business.

Our current position as one of the UK's leading convenience food players, and in particular our focus on food to go, leaves us well placed to continue to outpace the wider food market. However, many of these markets have faced headwinds in recent years. The grocery market overall has declined by 2.7% (in volume terms) in the 52 weeks to 1 October 2023. The food to go market outperformed this wider grocery trend, albeit still declining by 0.7%.

Some of the above trends are likely to be cyclical, impacted by very high recent inflation and the associated negative consumer sentiment. However, we recognise that our core categories may not recover to historic levels of growth, while in parallel our progress in growing share in key markets has an impact on our scope for future growth through share gain. We are confident in our ability to continue to outperform in our existing markets, by deploying the model outlined above in Horizon 2.

We will continue to pursue opportunities to leverage our existing customer partnerships to drive further growth. However, our ambition is to further strengthen our growth trajectory.

As such, we recognise the need to evolve our portfolio over time to include higher growth markets. This will likely require us to diversify our category, channel and market exposure. This in turn will inform our stance towards inorganic investment. We will approach this in a structured and balanced way – seeking out markets that combine growth, attractive market structures and natural synergy with our own business, while being disciplined with the associated capital allocation. We will also be sensitive on the timing of execution; we cannot wait for the completion of our Horizon 2 rebuild of profitability to begin to make growth investments, but we also recognise that Horizon 3 must build on the strategic flexibility created in Horizon 2, progressively enhancing profitability and returns in our existing business.

Strategy continued

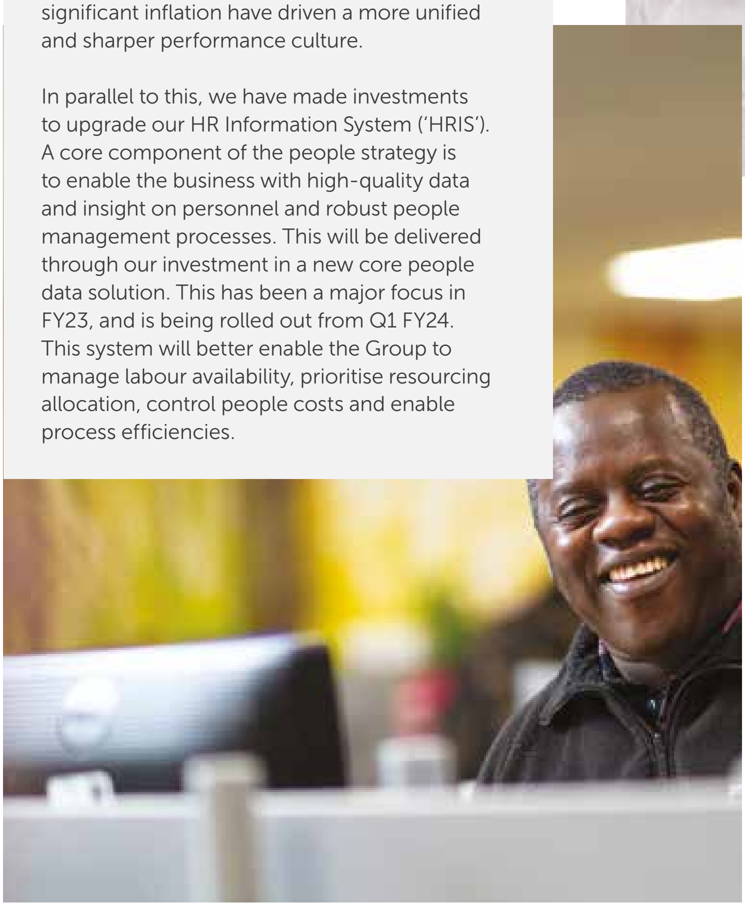
STRATEGY IN ACTION

Developing our people model

Over the past two years, we have delivered significant change in our people model – both to our organisation and to the tools and processes that support our decision-making and resource allocation.

We have evolved our organisation through the Better Greencore change programme and subsequent cost control initiatives. Following a move from five business units to a single functional model in FY22, we then further restructured the business in FY23, reducing our management and support population by approximately 250 colleagues. The combination of implementing the 'one Greencore' organisational model and the interventions we made to control our people cost in the face of significant inflation have driven a more unified and sharper performance culture.

In parallel to this, we have made investments to upgrade our HR Information System ('HRIS'). A core component of the people strategy is to enable the business with high-quality data and insight on personnel and robust people management processes. This will be delivered through our investment in a new core people data solution. This has been a major focus in FY23, and is being rolled out from Q1 FY24. This system will better enable the Group to manage labour availability, prioritise resourcing allocation, control people costs and enable process efficiencies.



Delivering Operational Excellence

In recent years, our Greencore Manufacturing Excellence model has provided a foundation for efficiency and cost improvement initiatives. However, as we have grappled with significantly higher inflation in recent years, it has become even more essential to drive efficiency and tightly manage costs in a structured and disciplined way.

In FY23, under a new operations leadership team, we reset our Operational Excellence agenda. This involved more systematically diagnosing opportunities to improve efficiencies or processes, building capability to capture those opportunities and more rigorously tracking project execution and value realisation. We are in the process of developing and rolling out a pillar-based model to progressively build capability across each area of our operations. This means that across all areas, from supply chain planning and food safety to production and equipment maintenance, we are assessing our capability against a world-class benchmark and building improvement plans to develop and enhance that capability over time.

We made some important first steps in FY23 through deep diagnostics of our manufacturing processes in multiple production sites. In parallel, a standardised assessment was conducted of Overall Equipment Effectiveness ('OEE') – a measure of asset utilisation that enables us to unlock trapped capacity.

In the coming years, we will continue to embed this new model and ways of working and build capability to deliver sustainable improvement.

Winning with customers

Over the last year, we have worked collaboratively with customers to ensure their ranges are working hard for them and for us, rationalising products where appropriate, and using strategic innovation to support growth. We have also engaged constructively to ensure we are being fairly rewarded for the great food we produce.

Through that work, we have reduced our overall net stock keeping unit ('SKU') count by 9%. This was despite modest growth in overall volumes, meaning there was an overall increase in volume per SKU of 10%. This has enabled us to support service levels and in-store availability, as well as driving efficiency to enhance profitability.

In parallel, we advanced our innovation agenda with c.400 new or redeveloped products across all of our portfolios.

These launches have not only supported our customer growth agenda, but have also helped recover margin, with these innovation launches on average being higher margin than our base portfolio.

Alongside this work, we have also engaged constructively with customers on our costs and pricing in the context of unprecedented inflation. We are pleased with our progress, ensuring that inflation was either recovered or mitigated. In a small number of cases where this was not possible, we also took decisions to part ways with certain customers. While this inevitably has an impact on volumes, we are convinced that it is the right thing to ensure the sustainability of the business and will underpin our capacity for profitable growth in the future.

Investing in technology

Over the years, and like many companies of our scale, Greencore has grown through a combination of acquisition, divestment and organic investment, across different customers, categories and sites. As we have grown, there have been limitations to the consistency in how we developed or deployed processes and supporting technology across the Group. This in turn can lead to inefficiency, wasted effort and frustration for colleagues, suppliers or customers.

We have recently launched our 'Making Business Easy' programme to address this. We are aiming to develop consistent, enterprise-wide processes, supported by selective technology investment and underpinned by a robust approach to our data. This will make it easier and more efficient for us to do business – from how we order raw materials and how we schedule maintenance, to how we deliver products to customers every day and ensure we are paid on time.

We have initiated the first phase of this already, with scoping work underway, and material investment foreseen in FY24 to support these goals. We have also deployed our first system investments, which are on track, and on budget with their delivery milestones – in Q1 of FY24, we are both upgrading our core Enterprise Resource Planning ('ERP') tools, and deploying a new HRIS. These will be the first steps of an exciting and empowering multi-year roadmap to make business easy.

Sustainability

OUR BETTER FUTURE PLAN

“We are in a new and exciting chapter of sustainability at Greencore in which plan ownership within business teams and climate literacy are essential to how we are taking the Sustainability Strategy forward.”

Fran Haycock
Head of Sustainability

Great food is at the heart of what we do, and we recognise that as one of the UK’s largest food manufacturers, we have a responsibility to make a meaningful contribution to a sustainable, more equitable food system.

What we eat has a substantial impact on the health of the planet. Food systems are responsible for a third of global greenhouse gas emissions, as well as having a significant impact on water, land and biodiversity. At the same time, poor nutritional education and the cost-of-living crisis are having an increasingly negative impact on the health of the nation.

By making healthy products that are nutritious, affordable and taste great, we can make it easier for people to make choices that are good for their health and wellbeing, support local communities, and reduce the impact on the natural world by reducing carbon and water usage, and supporting biodiversity. Through our Sustainability Strategy ‘*Better Future Plan*’, we are committed to doing our part to ensure the future of the planet, and the health of those on it, is a better one.

Our *Better Future Plan* is made up of three interlocking pillars: *Sourcing with Integrity*, *Making with Care*, and *Feeding with Pride*. Each pillar encompasses our environmental and social commitments. Our climate transition journey and the importance of our people through ethics and inclusion and diversity reach across all three pillars, making 10 focus areas. These topics are supported by four programme foundations that uphold the strategy and are fundamental to our transformation process: governance, risk management, transparency, and embedding.

Areas of focus:

- Responsible sourcing
- Human rights
- Net zero (energy)
- Food waste
- Communities
- Healthy and sustainable diets
- Sustainable packaging
- Ethics and modern slavery
- Inclusion and diversity
- Climate transition

Our standalone 2023 Sustainability Report, part of our *Better Future Plan* and previous reports can be found at:
https://www.greencore.com/sustainability/sustainability-hub/

These pillars, areas of focus, and foundations are all integral to one another, and together, guide our efforts towards planning for a better future, the Greencore way. The global sustainability landscape continues to evolve at pace, and in response to this, we will look to evolve our strategy to ensure it is representative of the global challenges at hand. With biodiversity, nature and water becoming increasingly important in the global climate conversation, we are currently working to understand our role within these areas and how they will feature in our strategy going forward.

Materiality

Greencore's disclosures are focused on the issues most material to its business activities. Greencore undertook a double materiality assessment in FY22 which identified the 10 areas of focus as mentioned previously. The details of both the process and assessment results can be found in our Sustainability Report 2022.

Aligning with external frameworks

Greencore aligns disclosures in its standalone Sustainability Report to international non-financial reporting standards, including the Global Reporting Initiative ('GRI'). In light of the fact that Greencore is headquartered in Ireland, particular attention must be paid to European regulation and how this may impact us. We are preparing to align with a number of key standards, such as the Transition Plan Taskforce framework, Corporate Sustainability Reporting Directive ('CSRD'), and the Taskforce on Nature-related Financial Disclosures ('TNFD'). We are also anticipating regulatory shifts in UK sustainability requirements and will monitor this closely going forward.

Strategic Pillars

Strategic Ambition

Sourcing with integrity

By 2030, **we will source our priority ingredients from a sustainable and fair supply chain**

Making with care

By 2040, **we will operate (Scope 1 and 2) with net zero emissions**

Feeding with pride

By 2030, **we will have increased our positive impact on society through our products**

Delivery Plans

Responsible sourcing
We will source sustainable ingredients with transparency by holding ourselves and our suppliers to the same high standards of integrity.

Human rights
We respect the human rights of everyone who works for, and with us.

Net zero
We will use less to make more by becoming more resource-efficient and operating a net zero business.

Food waste
We will halve food waste within our operations and work with others to minimise waste in our supply chains.

Communities
We will invest in our local communities by working to alleviate food poverty and providing economic opportunity.

Healthy and sustainable diets
We will design products with health, affordability and sustainability in mind; by identifying where the best opportunities are to meet all three requirements, while not compromising on taste.

Sustainable packaging
We will ensure our packaging has the lowest planetary impact by making it easier to recycle and eliminating single-use plastic.

Climate transition

People at the Core

Foundations

Governance	Risk management	Transparency	Embedding

Sustainability continued

YEAR IN REVIEW

We are three years into our *Better Future Plan* journey, and whilst we are pleased with progress within sourcing, we recognise that our progress to date in other topic areas has not been sufficient. This year marked the start of the next chapter of sustainability at Greencore, with the launch of our Plan Ownership Model and a focus on climate literacy.

During FY23, we focused on assigning ownership of action and refined topic priorities in order to help us to progress our targets and make a meaningful contribution to a sustainable, more equitable food system.

The new Plan Ownership Model was introduced in April 2023, and sees Plan Owners within relevant business functions take responsibility for each element of our *Better Future Plan*, from packaging and food waste to healthy and sustainable diets and community engagement. Our Plan Owners are specialists in their areas, already working closely with day-to-day teams, customers, suppliers, and other stakeholders, so they are in the best position to drive change at pace and scale. They are responsible for topic delivery within the business environment, supported by the accountable Group Executive Team member and the Sustainability team to deliver agreed targets and topic ambition. With the implementation of the Sustainability Strategy now shared in a partnership model between the Sustainability team and focused specialist Plan Owners within the business, we have enabled faster change, broader business engagement with the strategy, and the deeper embedding of sustainability throughout Greencore.

In conjunction with establishing the Plan Ownership Model, we also refined the focus of our *Better Future Plan* to four priorities that would be the business focus for the second half of the year and into FY24. These are energy, food waste, communities and healthy and sustainable diets. The nature of three of these topics sit within *Making with Care* and means they are within our direct business control and are areas we should accelerate. Healthy and sustainable diets has been prioritised as we recognise the importance of this topic to support food systems change. This year we prioritised roadmap development in these four areas.

To support this, making sure our people are equipped with the knowledge and skills they need to prioritise and embed sustainability throughout the business has been a focus for FY23. Upskilling leads to more capable sustainability leadership and informed decision-making, and critically, helps our colleagues take action to meet future challenges in ways that create long-term value for the business. In September 2023, we held a full-day upskilling session for the Group Executive Team and key functional leaders, bringing in external specialist coaches, as well as hearing from our value chain through customer and supplier guest speakers. We also held a similar session in October 2023 for the Plan Owner group and the Sustainability Oversight Committee ('SOC'). Both sessions helping us to deliver on our ambition to drive and accelerate progress through understanding and engagement.

We revisit our governance approach every year, making sure we have the right voices around the right tables, at the appropriate frequency. This year we have enhanced Board focus on the agenda by introducing a Sustainability Committee of the Board ('SusCo'), comprised of four Non-Executive Directors. Our Non-Executive Director, Helen Rose chairs this meeting with our Chief Executive Officer and Chief Operating Officer leading the agenda, with support from the Head of Sustainability. The Sustainability Committee meet twice a year to review programme performance and ensure the agenda has the support required to progress at the pace required.

We also refreshed our Sustainability Steering Committee, now known as the SOC. This is comprised of leaders from key functions within the Group such as Finance, Risk, Company Secretarial, Commercial, Strategy and Technical. The SOC's purpose is to act as a cross-functional business advisory group, supporting the Head of Sustainability primarily with the programme foundations of governance, risk management, transparency and embedding.

Sustainability data is an industry wide challenge and improving it will be a journey for all businesses, including Greencore. In the second half of this year, we put significant focus into reviewing data quality and supporting processes across the programme. As part of this work, our Group Internal Audit team completed a data audit which provided a valuable summary of the 'health' of our primary Key Performance Indicators ('KPIs') within each pillar. The audit report has provided a detailed plan of action to help guide our improvements, and this will be a continuous process as we work to mature our data and reporting processes, with our newly appointed Plan Owners playing a key role.

Looking ahead

- We will continue our focus on climate literacy across multiple levels-with a focus on our Board, Group Executive Team and Plan Owner group-to ensure they have the knowledge and confidence to lead the business through the climate transition.
- We will expand our work on delivery roadmaps to all other strategic topics. Alongside this, there will be significant emphasis on developing a Transparency Roadmap to ensure we are on track to meet the upcoming regulatory requirements.
- An increased focus on value chain collaboration, working in close partnership with our suppliers and customers to drive change. The nature of our business means we are significantly influenced by our customers' strategies and behaviours, so it is essential we work closely with them to achieve our respective sustainability ambitions.

Our three Executive Team sustainability leads. From left, Chief Commercial Officer, Andy Parton (sponsor of Sourcing with Integrity and Feeding with Pride pillars), Chief Operating Officer, Lee Finney (overall sponsor of the *Better Future Plan* and Making with Care pillar sponsor) and Chief People Officer, Guy Dullage (sponsor of People at the Core).

Sourcing with Integrity

The way we source our ingredients is critical to our *Better Future Plan*, and to delivering a fairer and more sustainable future at scale. We have a responsibility to source our ingredients in a way that minimises our impact, and where possible drives a positive impact. It is not possible to take a 'one size fits all' approach to ingredients – each individual supply chain comes with its own challenges around biodiversity, climate change, water scarcity, deforestation and animal welfare, and we have different levels of control over each.

Responsible sourcing

We are committed to eliminating deforestation and ecosystem conversion in the sourcing of soy, palm oil and timber. For palm oil ingredients within our core operations, 99.98% are from Roundtable on Sustainable Palm Oil ('RSPO') certified sources. In addition to our core operations, and until September 2023, we also owned Trilby Trading Limited ('Trilby'), which traded in edible oils in Ireland. The majority of oils traded by Trilby were palm oils, with c.10% from RSPO-certified sources. The disposal of Trilby is expected to result in the removal of c.280,000 tonnes of carbon dioxide equivalents ('CO_2e') from our FY24 Scope 3 footprint. This accounts for 20% of our total Scope 3 footprint in FY23 and a 32% reduction in the base year. We are also committed to 100% deforestation-free soy by 2025, and this year we have completed our first soy footprint alongside many of our peers in the industry. The result of this work is that 43% of our soy is deforestation-free with the remaining 57% to be transitioned in 2024 and 2025, in collaboration with our customers and suppliers.

In fisheries, we aim to source all our wild fish sustainably. 100% of our tuna is sourced from pole and line fishing, Marine Stewardship Council ('MSC') -certified fisheries or from those with a Fishery Improvement Project in place. Meanwhile, 100% of our cold-water prawns are from MSC fisheries, 100% of our warm-water prawns are Best Aquaculture Practices 4 star and 100% of our wild caught fish are sustainability sourced. This year we also evolved our engagement with key fish suppliers on their respective sustainability strategies to develop a better understanding of how we can work together to maintain our targets as well as proactively manage climate risk associated with the ocean.

In the field, 100% of our fresh produce raw materials are grown in accordance with Red Tractor (UK) or Global GAP (rest of the world) standards for good agricultural practice. This means that the farmers and growers that supply us, work to control their use of agrochemical inputs and fertilisers and consider the environmental impacts of their farming practices. Our growers demonstrate that they are meeting these standards through independent third-party audits conducted by accredited providers. These schemes ensure our fresh produce raw materials do not have unnecessary impacts on the environments in which they are farmed.

Sustainability continued

We recognise that responsible sourcing is a collaborative effort, so we are committed to establishing strong working relationships with our supply chain to enable this. We set clear standards with our suppliers, embedding these standards in our business systems and auditing the supply chain practices against these standards.

In the first quarter of FY23, we launched our new Responsible Sourcing Code of Conduct ('Code'). This Code sets out the behaviours, practices and standards we expect from our suppliers to support our *Sourcing with Integrity* ambition. We issued this Code to our key top 40 partners – who were identified by overlaying volume, spend, climate and human rights risk factors.

Our suppliers also play a key role in supporting us with our Scope 3 ambition. Our total Scope 3 footprint for FY23 is 1.40 mtCO_2e, a decrease on the previous year (1.48 mtCO_2e) and an 11% reduction in absolute emissions since the FY19 base year. Ingredients continue to be our main source of emissions, at 59%, up 2% from FY22. After engaging in dialogue with many of our suppliers this year about their sustainability plans, we know there is sizeable work happening to reduce their respective environmental footprints, and we expect to see this reflected in our footprint from FY24.

Human rights

We are committed to championing internationally recognised human rights standards and safeguarding the people who work for us, with us, and who are affected by our activities around the world.

Creating supply chains that are free from human rights abuses is central to our Sustainability Strategy. We recognise that cases of child, forced and compulsory labour are often hidden due to the complexity of global supply chains, and that economic and societal pressures increase the likelihood of worker vulnerability and the risk of criminal exploitation.

Under the UN Guiding Principles on Business and Human Rights, companies are expected to actively demonstrate that they do not infringe on human rights through their operations or business relationships. As such, we undertake ethical risk assessments annually of our raw materials to identify areas within our supply chains that are most at risk of human rights abuses, including modern slavery. This model is based on outputs from the Food Network for Ethical Trade Risk Assessment Tool and is applied in a 'double-analysis' approach that considers the country of manufacture for all the foods that we buy, including the country of origin for the ingredients. This data is used as part of our supplier engagement work to ensure we focus on high-risk areas.

We work hard to ensure that everyone is treated fairly within our global food supply chains, and we also take direct action on human rights abuses when we uncover them. This requires a collaborative effort from everyone in the food industry, which is why we are part of a number of initiatives including the Modern Slavery Intelligence Network, the Food Network for Ethical Trade, and Stronger Together, so we can actively help prevent and disrupt human rights abuse at its source.

For more information on our approach to social sustainability and to read our FY22 Modern Slavery and Human Trafficking Transparency Statement please visit www.greencore.com. Our FY23 statement will be published in early 2024.

Looking ahead

Responsible sourcing

- Our primary focus will be on our 2025 targets in caged-free eggs and deforestation-free soy. To accelerate our transition work in both these spaces, we have established cross-functional business working groups, led by our Procurement team.
- We will be learning more about the role we can play in supporting biodiversity, both within the UK via our direct operations and local sourcing, and globally through our supply chain.
- Success in this area means thinking about our suppliers as extensions of our core business, so we will be working closely with many of them to deeply embed sustainability throughout our supply chains.

Human rights

- Collaboration will form the basis of our continued work in this area, with engagement, communication and training a focus for the year ahead. The tactics employed by criminals to carry out exploitation are changing at pace, so we need to make sure our teams have access to the latest insights, approaches and intelligence.
- We will continue to provide cross functional training, as well as training across management and strategic levels to help address any challenges in our supply chains. We take the key human rights learnings from different contexts and apply them across our business, which includes working in active partnership with our customers.

Making with Care

Energy and water are fundamental to operations at Greencore. Reducing carbon emissions and water use is critical to lessen the effects of climate change on the environment and meet our 2040 Scope 1 and 2 net zero commitment. Both topics have required significant focus this year.

Energy efficiency and water use

As a leading food business, reaching net zero will be a big undertaking, particularly in light of our energy performance to date. We remain committed to finding ways of implementing solutions to achieve our goals, with minimal disruption. Net zero for Greencore means reducing our Scope 1 and 2 emissions to the lowest feasible level, and then exploring additional pathways to address remaining emissions.

Our Energy Roadmap for Scope 1 and 2 has a three-pronged approach and we are pleased to share the below progress highlights:

- **Data and insights:** Energy Savings Opportunity Scheme ('ESOS') audits covering 80% of our energy usage have given us an improved understanding of our energy-intensive assets, and we are now trialling energy efficient motors at two of our sites. We also now have automated metering across all Greencore's significant supplies of electricity, gas and water, giving us a clear insight on our energy and water consumption to drive our reporting and action going forward.
- **Big projects:** Our approach to renewables across the business has received significant focus from the relevant cross-functional teams. We are also investing in our effluent treatment at several sites, to reduce the impact of discharges from our manufacturing units and locations.
- **Brilliant basics:** Business culture and engagement underpins all our work to drive transformational change, and there will be significant emphasis placed on this pillar in the coming year.

Since launching our targets in this space in 2020, the business has faced significant external and internal challenges, and we have not made the required annual progress against both energy and water. This has been recognised by business leadership, and in the last 12 months we have made progress in both these spaces with respect to business understanding and engagement, roadmap planning and plan ownership. However, due to the lead times on initiative implementation, this work is not reflected in this year's performance metrics. In FY23, our total gross Scope 1 and 2 carbon emissions increased from the previous year from 92,655 tonnes to 93,366 tonnes, an increase of 0.8%, and from our base year of 89,606 tonnes, an increase of 4.2%. We are committed to addressing this and moving to a reduction path in FY24.

Transport and distribution is a key part of our business, so we know we must work to reduce the climate impact in this area. Our Fleet Roadmap was established in April 2023 and is grounded in our own sustainability ambitions, in addition to the latest UK Government policy and regulation around vehicle procurement, usage and clean air. Up to 2026, we will continue to optimise our existing fleet and test the viability of electric vehicles (EVs), while staying close to developments in alternative fuels. From 2027 to 2030, we expect to deploy approximately 25 EVs before replacing our entire 3.5t fleet by 2035. From 2030 onwards, we will also be focused on converting our larger HGV fleet to alternative fuels.

Water is an essential consideration for food businesses, and more broadly the topic has gained extra focus this year, as extreme weather events have meant the world faces intense drought and evolving water shortages. This impacts Greencore directly through our operations in water-stressed areas in the UK, and indirectly through our supply chain, particularly in raw material groups such as produce and dairy where it is sourced from water challenged areas in Europe and further afield. To support our focus on this topic, we have assigned a business leader from our Environment team to lead the creation of our Water Roadmap, which will support our broader net zero ambition.

Reduction from our base year in food waste

16.1%

Number of surplus meals we redistributed in FY23 the equivalent of

1.83m

Sustainability continued

Food waste

The food system needs to enable better social outcomes for people, while also limiting its impact on the planet. Nowhere is this more relevant than food waste, and this issue continues to receive increased attention and scrutiny.

As a leading food business producing large volumes of food, reducing food waste is a top priority for Greencore. Doing so helps us to reduce emissions, improve global food security, and create a more efficient and resilient business. Waste data is used to evaluate performance and review progress against our UN SDG Friends of Champions 12.3 commitment[1], which will see us targeting a 50% reduction in food waste (as measured by food waste as a percentage of total food handled) by 2030 against a FY17 baseline year. Our baseline year of FY17 differs from our Scope 1, 2 and 3 carbon emissions baseline year of FY19 due to reporting in line with the food industry collaborative programme, the UK Food Waste Reduction Roadmap.

This year we moved food waste reporting out of the Sustainability team and into our Operations function, which has significantly enhanced and developed both our data quality and the associated reporting processes. We have also now developed a five-year Food Waste Roadmap which takes a system approach to our product development, purchasing, manufacturing, logistics and customer collaboration, and ensures that a culture of food waste prevention is firmly embedded throughout the business.

In FY23, our food waste, measured as a percentage of food handled, was 7.99%. This is a decrease from last year's performance at 8.48%, primarily due to the Group's continued focus on simplification of products, as well as improvements in data and reporting. To date, we have achieved a 1.53% reduction from our base year (FY17) in food waste as an overall percentage of food handled, and 16.1% of the 50% reduction target set for 2030.

Communities

Our business depends on the communities in which we operate. We can only be as healthy and sustainable as they are, so we see it as our responsibility to actively engage with and support our local communities however we can.

Communities was identified as one of four sustainability priorities for this year and into FY24. For Greencore, supporting our communities starts with food. Having made successful strides in food surplus redistribution in recent years, we are now focused on developing three additional support channels within our Communities Roadmap where we believe we can have the most impact: food education, volunteering and fundraising. This is in response to the growing and changing needs of our communities, and internal work to understand how we can provide additional avenues of support.

Although we are looking to evolve our support beyond food surplus, food surplus donation continues to be a central focus for our community engagement efforts. Greencore strives to minimise food waste in our operations, but sometimes it is unavoidable, so we are committed to ensuring we maximise the social benefit of the food. We work with a number of food redistribution organisations – including FareShare, The Felix Project, The Bread and Butter Thing, and the Trussell Trust – in order to ensure our food surplus reaches those who need it. Through these partnerships we can redistribute short shelf life, chilled, frozen, and bulk products, as well as surplus from new product trials where feasible. In FY23, we redistributed the equivalent of 1.83m meals.

We are looking forward to seeing our Communities Roadmap come to life with a fresh focus on what we can do beyond our well-established food surplus channel.

1. https://champions123.org/

Looking ahead

- We are committed to upskilling our teams across the business to ensure we all have the knowledge to deliver our net zero Scope 1 and 2 ambition, and work toward both designing and deploying a detailed transition plan to support our progress.
- We recognise the need to reduce our reliance on natural gas, explore renewable energy generation, and deliver heat recovery from equipment such as refrigeration plants. We have more work to do to develop Greencore's approach to addressing the carbon gap, and the role that carbon offsetting will play in this.

Feeding with Pride

Food is what we do, and it is vital that we do it responsibly. We have a real opportunity – and a responsibility – to drive positive change in the industry. Shifting our current food system to one centred on more sustainable diets is critical if we are to ensure the health of people and planet.

Healthy and sustainable diets

What we eat and the way we eat is inextricably linked to health, climate and social outcomes, so we acknowledge the role our products play in delivering critical food system change. Healthy and sustainable diets has continued to be a key focus within the *Better Future Plan*. Under clear ownership from our Commercial function, we now have a high-level delivery roadmap through to 2030 which we are continuing to refine as we look to deploy the Group plan at product portfolio level.

Animal protein accounts for 70% of our ingredients section within our Scope 3 footprint, and that will require us to think differently about animal protein use going forward. The principal way Greencore can rebalance protein is not solely through increasing sales of plant-based products, but by reducing, removing and replacing animal protein content within existing products where it is feasible to do so. In parallel with this, for the animal protein we do use, we will be working closely with key suppliers to ensure a reduced environmental impact. Both sides of our value chain will play a key role in helping us to understand the best way to approach animal protein use going forward, as well as drive an ambition to include more plants. Being an own-brand manufacturer producing products on behalf of our customers, it is imperative that we work closely with them to deliver shared goals in relation to better health and planetary outcomes.

Product footprinting is central to our work in this space. This year we progressed our partnership with Mondra and became a formal member of the BRC Mondra Coalition group, alongside many of our key retailer partners. The Mondra software allows us to create a formulation footprint for each individual product, and then creates a 'digital twin' of that product, allowing us to experiment with different ingredients and formulations to see the potential impacts of different recipes. We are looking forward to using this tool which will provide our food teams with the insight they need to make informed recipe decisions, designing products with taste, quality, and sustainability at the forefront.

Sustainable packaging

Consumers increasingly expect retailers and manufacturers to take bold action on packaging, so it is up to us to find solutions in which performance, cost and sustainability can work together.

Our packaging policy defines a 'less and better' roadmap made up of three focus areas: remove, reduce and recycle. We are working hard to change the way we package our products, reviewing our materials and production processes to ensure we avoid a linear 'take-make-dispose' model and instead support enhanced recyclability. We are continuing to explore simplified materials and lightweighted pack formats to encourage effective recycling, as well as ways to reduce food waste through extended life processing techniques and pack constructions.

This year, we have made project-led improvements across all our product categories:

- within our grab bag format, we are now using a recyclable substrate with a varnish that adds to the value perception of these premium products and removes 60 tonnes of material annually from this range;
- within ready meals, we launched our pioneering 'Tray to Tray' initiative, which enables us to produce ready meal trays directly from the waste of other ready meal trays collected in Europe. This means that trays produced under this initiative will be kept in the supply chain, drastically reducing the emissions and resources needed to produce trays from scratch; and
- in sushi, we focused on plastic reduction, investing in new machinery to support an alternative liner-less labelling format around our sushi packaging at one of our key production sites. These Forest Stewardship Council ('FSC') paper labels require no plastic-based backing paper to aid application and plastic tamper tabs are no longer required, with an estimated saving of over 13 million units of plastic annually.

While data remains our biggest challenge in quantifying our progress at Group level, we know from delivered projects, we have made significant progress in our packaging ambitions this year. This has been achieved through close supplier collaboration and the strength of our customer relationships working together to support sustainability strategies.

Looking ahead

- We will be looking to deploy multiple levers to ensure our current product categories are fit for the future of food, as well as ensuring our future business strategy is informed by our ambitions and commitments in this space.
- Further focus on our high-level delivery roadmap and developing a deeper understanding of how this agenda will impact the business more broadly.
- Build a robust product nutritional database and supporting tools to enable us to report transparently against our Healthy and Sustainable Diets Roadmap.
- We recognise the importance of implementing a packaging specification system to improve our transparency and refine the accuracy of our Scope 3 footprint, and will look to resolve this in the coming year.

Sustainability continued

PEOPLE AT THE CORE

With approximately 13,600 colleagues who are critical to the success of our business, People at the Core is at the centre of The Greencore Way. Our people strategy has three pillars – embedding a safety culture; inspiring leadership; and engaging and effective teams.

Embedding a safety culture

The health, safety and wellbeing of our colleagues and visitors is our top priority. We are continually working to improve the safety of all our working environments, and we are committed to developing a culture that puts physical and emotional wellbeing at the heart of our business. Our colleagues' health, safety and wellbeing is critical to the success of our business. We pursue a comprehensive health and safety strategy which includes priorities, action plans and performance objectives for every area across the business.

In FY23, we concentrated our focus on a number of specific areas. We have introduced a camera and telematics solution, Webfleet, to our commercial fleet, which allows driver behaviours to be monitored and reported via a central dashboard. We have also developed a new standardised approach to risk assessment around manual handling equipment, covering forklift, powered pallet and pump trucks. In addition to this, we have also set up a working group to develop new electrical standards and procedures. Overall, our Reportable Accident Frequency Rate ('RAFR') has shown an improvement from 0.33 in FY22 to 0.26 (per 100,000 hours) in FY23. We are now looking ahead to the creation of our Safety Roadmap, which aims to maintain excellence in this area through a blend of continuous improvement tools and training.

Inspiring leadership

We are continuing to build a culture that enables our people to thrive by embracing difference, building the capability of our leaders, and harnessing the power of a diverse workforce that represents our customers and consumers. We can achieve this by equipping our leaders with knowledge, tools, and confidence to ensure fair selection remains an important facet of our Inclusion and Diversity Strategy.

Engaging and effective teams

During FY23 we carried out a Pulse Engagement Survey survey across five key sites and all central functions to ask colleagues to share their thoughts on how we have progressed our engagement action plans since the last People at the Core survey was completed in October 2022. We are pleased to report progress in almost all areas. Our overall sustainable engagement scores have gone up from 74% to 76% for these key sites and central functions. We also saw a significant improvement on the topics of communication, senior leadership and colleagues saying they would recommend Greencore as a place to work. For areas of improvement, colleagues told us they are keen to see us do more to work as one team and to help them progress their careers with at Greencore. Our next full People at the Core engagement survey will take place in summer 2024.

Inclusion and diversity

Greencore is a diverse organisation, and it is important for us to ensure that everyone's experience of working with us is one of inclusion, because we know that diversity doesn't work without inclusion.

We believe we can ultimately differentiate our business through our colleagues, so it is important to us that we create a culture where our people can be themselves and fulfil their potential. By focusing on inclusion and diversity, we can make better business decisions informed by diverse perspectives. We can better reflect our customer and consumer needs, and therefore better anticipate change and respond with agility. And we can rely on a capable, cohesive colleague base, which feels valued and motivated to progress and drive our business.

Our Inclusion and Diversity Strategy sets our agenda. Our action plan continues to focus on being inclusive in our approach to leadership, providing a voice for colleagues, working to attract diverse perspectives, creating more opportunities for people to fulfil their potential, and being transparent in our approach to inclusion and diversity.

Over the last 12 months we have successfully expanded the reach of our reverse mentoring programme in partnership with IGD, elevating colleague voices and helping our leaders understand the barriers that underrepresented groups face at work. This year, as part of our deep dive on increasing representation of women, we have drawn on our colleague perspectives to better inform our approach to attracting, enabling, and retaining female talent, which has resulted in the introduction of new approaches and policies such as a Menopause Policy to support colleagues.

This year we invested in building a new programme into our Grow with Greencore offer, designed to provide our hiring managers with a greater understanding of how we ensure a fair and consistent selection process, understand and manage bias, promote balance in our hiring decisions, and deliver better experiences for candidates. We have committed to train all our hiring line managers in this important topic in the coming years, covering approximately 800 managers. Since its launch in June 2023, 169 managers have been trained which represents over 20% of our managers and exceeds the target set for this period by 5%.

At the end of the financial year, 39% of all colleagues were female, and this remains unchanged from FY22. Although the Group Executive Team ratio is unbalanced, we are looking forward to welcoming Catherine Gubbins, our new Executive Director and Chief Financial Officer in early 2024. The number of female direct reports to our Group Executive Team has increased and we are working hard to improve this balance. Our male-to-female percentage ratio is 56:44 at Board level, which is a balance improvement from FY22.

During FY23, the Board was updated on the progress made against the Group's Inclusion and Diversity Strategy and endorsed inclusion initiatives taking place across the business. These included the Group's investment in reverse mentoring, introducing representation targets for our leadership team and placing greater focus on social inclusion through early career programmes. The Group continues to review gender diversity as a key metric, and we commit to keep driving progress in this area paying particular attention to understanding and tackling unconscious biases.

Anti-bribery and corruption

Greencore is committed to the highest standards of honesty and integrity. The Group has a zero-tolerance approach to any form of bribery or corruption. We provide annual training on our Anti-Bribery and Corruption Policy and our Gifts and Hospitality Policy which are available internally on our intranet. Bribery and corruption risks are considered as part of the annual Internal Audit planning process. Our Anti-Bribery and Corruption Policy Statement is available on www.greencore.com.

Gender diversity

Across the Group	Male	Female	Other/Prefer not to say
FY22	60.35%	39.55%	0.10%
FY23	60.89%	39.08%	0.03%
No. of Colleagues	8,282	5,316	4

At Board level	Male	Female	Other/Prefer not to say
FY22	40%	60%	0%
FY23	56%	44%	0%

At Group Executive Team level	Male	Female	Other/Prefer not to say
FY22	71%	29%	0%
FY23	100%	0%	0%

At Group Executive Team direct reports level (-1)	Male	Female	Other/Prefer not to say
FY22	56%	44%	0%
FY23	51%	49%	0%

Across Group subsidiary Boards	Male	Female	Other/Prefer not to say
FY22	58%	42%	0%
FY23	73%	27%	0%

Percentage of internal hires

41%

Percentage of female colleagues

39%

Male to female ratio at Board level

56:44

Task force on Climate-related Financial Disclosures ('TCFD')

CLIMATE TRANSITION

Introduction

Climate change is here – the impacts of which the world is witnessing with increasing severity, emphasised further by the changeable weather events during the 2023 summer season. We rely heavily on both the climate and the natural environment within our ingredient and packaging supply chain, so we recognise the importance of understanding our exposure to the specific risks arising from climate change and broader impacts on nature, and how they are impacting the food system in which we operate.

In FY23, Greencore established a new Plan Ownership Model for sustainability, moving delivery, accountability, and responsibility from the Sustainability team into the business. Albeit initially focused on sustainability delivery, the next phase of this model will include aligning ownership of climate risk with our *Better Future Plan* topics, ensuring integration where relevant.

We are working to continually improve our alignment to the recommendations of the Task force on Climate-related Financial Disclosures ('TCFD') and embed climate-related risk and opportunity management across our business. We expect that certain aspects of our disclosure will further develop and evolve over time.

Summary of progress to date

To support the management of these risks and opportunities, together with managing our own impact on the climate, we established science-based decarbonisation targets, which are externally verified by the Science Based Targets initiative ('SBTi'). Under this programme, we have pledged to reduce absolute Scope 1 and 2 emissions by 46.2% by 2030 from a FY19 base year, and to reduce Scope 3 emissions from purchased goods and services, and upstream transport and distribution, by 42% per tonne of product sold by 2030, from a FY19 base year. Our baseline Scope 3 footprint has been determined by a third-party using carbon factors from published average carbon footprint data for individual raw materials.

Each summer, we complete an annual carbon footprint analysis of Scope 1, 2 and 3 absolute and relative emissions across our business. This data enables us to determine more granular emissions profiles across our product categories to inform our strategy and risk management process when considering risks such as exposure to carbon pricing or business reputation associated with our carbon intensity. Our total Scope 3 footprint for FY23 is 1,400 $MtCO_2$ e, a decrease on the previous year (1,477 $MtCO_2$ e) and an 11% reduction in absolute emissions since the FY19 base year. Ingredients continue to be our main source of emissions, at 59%, up 2% from FY22 at 57%. See table on page 38 for our emissions intensity performance.

In FY23, our total gross Scope 1 and 2 absolute emissions increased from the previous year from 92,655 tonnes to 93,366 tonnes, an increase of 0.8%, and from our base year of 89,606 tonnes an increase of 4.2%. The Group's production volumes in FY23 increased versus FY22 with this increased activity resulting in higher Scope 1 and 2 emissions. While FY23 did not see us reduce our Scope 1 and 2 absolute emissions, we have made significant traction with business understanding of the current state of our energy agenda and what we must do to address this under new operational leadership from our Chief Operating Officer ('COO') who joined Greencore in October 2022. FY23 required a reset on energy, establishing clear plan ownership of both the Scope 1 and 2 agendas within the business, as well as development of 2030 roadmaps for both energy and our distribution fleet (Direct to Store operations). Despite challenges in the last three years to reduce our energy footprint, we remain focused on making progress against our Scope 1 and 2 target in FY24.

In FY22 we completed our first scenario analysis to estimate the potential impact of climate risks and opportunities on our business. The climate scenarios considered physical and transition risks for each identified climate risk and opportunity identified. The identified risks and opportunities were prioritised by their likelihood, velocity and estimated financial materiality (prior to the consideration of any mitigation measures). This allowed us to better understand the potential impacts from physical and transition climate change risks. During FY23, we continued our journey to embed the identified impacts within our governance, operations and strategic model and risk management system. In FY24, we will be rerunning this analysis with a third-party specialist to ensure it reflects the most up to date view of the impact of climate on the business, and further formalising how this insight on climate risk is integrated within our broader risk management governance.

Listing Rule 9.8.6R Compliance Statement

Greencore Group plc has complied with all of the requirements of LR 9.8.6R by including climate-related financial disclosures in this section (and in the information available at the locations referenced therein) consistent with the TCFD recommendations. Our Sustainability Report for FY23 has been released as a standalone report; all TCFD-related disclosures are included in this Annual Report.

TCFD index

Area	Recommended disclosures	Page(s)
Governance		
Disclose the organisation's governance around climate-related risks and opportunities.	(a) Describe the Board's oversight of climate-related risks and opportunities. (b) Describe management's role in assessing and managing climate-related risks and opportunities.	33 and 34
Strategy		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy and financial planning where such information is material.	(a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long-term. (b) Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning.	34 and 35 36 and 37
Risk management		
Disclose how the organisation identifies, assesses and manages climate-related risks.	(a) Describe the organisation's processes for identifying and assessing climate-related risks. (b) Describe the organisation's processes for managing climate-related risks. (c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	38
Metrics and targets		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	(a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process. (b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas ('GHG') emissions, and the related risks. (c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	38 and 39

Governance

As we seek to understand climate-related risks to and opportunities for our business, we recognise that active management of our own impact on the climate and strong oversight of our Sustainability Strategy and actions will support climate-related risk mitigation and lead to climate-related opportunity identification.

Board oversight

Greencore's corporate purpose and strategy, including our Sustainability Strategy, are set by the Board. The Board oversees progress towards these ambitions, and tracks the risks and opportunities that arise. The Group Sustainability Strategy impacts the entire business, and the Board delegates certain responsibilities relating to Sustainability Strategy to the relevant Board Committee, and each of their roles are discussed below. Further information can be found in the Directors' Report as set out on pages 60 to 113.

The identification and management of climate-change risks follows our established risk management governance process for the broader business. The Board has overall accountability for reviewing and monitoring the effectiveness of the Group's risk management systems and establishing risk appetite. The Board in part discharges these duties through delegation to the Audit and Risk Committee ('ARC'). The ARC meets four times per year and formally reviews the Group's principal risks at least bi-annually. It is responsible for overseeing and advising the Board on the organisation's risk exposures, risk management strategy, and the effectiveness of its risk management systems. Further detail on the work of the ARC can be found on pages 82 to 87.

In addition to ARC oversight, this year there was an increased focus on sustainability at Board level by establishing a Sustainability Committee. The Sustainability Committee is responsible for reviewing the Group's sustainability objectives and performance, including the delivery of the Group's Sustainability Strategy, as well as providing progress updates on sustainability matters to the Board, primarily covering strategic progress against roadmaps and programme foundations, as well as KPI performance.

The Sustainability Committee is comprised of four Non-Executive Directors with additional regular attendees including our Chief Executive Officer ('CEO'), Chief Operating Officer ('COO') and Chief Financial Officer. Non-Executive Director, Helen Rose chairs this meeting with our CEO and COO leading the agenda, with support from the Head of Sustainability. A sustainability update is provided to the Committee twice yearly by the COO and the Head of Sustainability. In its inaugural year, the focus of the Committee during FY23 was to monitor and provide guidance on the Group sustainability agenda.

The Remuneration Committee has responsibility for continually reviewing the appropriateness of the remuneration framework and specific sustainability metrics have been considered and included in the annual incentive for the CEO and CFO for FY23. Further information on these objectives can be found on pages 97 to 99.

TCFD continued

The Nomination and Governance Committee is responsible for Board succession planning and ensuring that the Board has an appropriate mix of skills to drive the Group's strategy, including its Sustainability Strategy, forward. As part of this process, experience and knowledge of sustainability and climate risk would be considered for new appointments, where relevant.

Management's role

The CEO has accountability for overall environmental, social and governance ('ESG') performance and climate-related risk for the Group, which includes sustainability governance. Our COO is the executive member responsible for sustainability and has a significant role to play in the Group's plans for adapting to climate risks. Each of the strategic pillars – Sourcing with Integrity, Making with Care and Feeding with Pride – also has an executive responsible for its delivery. Our Chief Commercial Officer ('CCO') is accountable for how we source our ingredients (Sourcing with Integrity), the portfolio of food and packaging we produce (Feeding with Pride) and our Scope 3 agenda. Our COO leads on all our operational topics such as energy, water, food waste and communities.

The Group Executive Team are kept informed regularly and support the management of both our ESG agenda and climate risk. ESG performance and progress is shared as part of a quarterly ESG performance update, led by our Head of Sustainability. Sustainability-related risks are also reported to and reviewed by the quarterly Risk Oversight Committee ('ROC'), which includes the full Group Executive Team and Director Internal Audit and Risk.

Our Group Executive Team are also supported by a refreshed Sustainability Oversight Committee ('SOC'), previously known as the Sustainability Steering Committee. This SOC includes senior leaders from relevant Group functions such as finance, risk, company secretarial, commercial, strategy and technical, and meets monthly. The SOC's purpose is to act as a cross-functional business advisory group, primarily supporting the Head of Sustainability with the programme foundations (governance, risk management, transparency and embedding data and reporting). The Committee outcomes feed into the quarterly executive update provided by the Head of Sustainability.

Governance

Board of Directors

Sustainability Committee

Group Executive Team

Sustainability Oversight Committee ('SOC')

Sustainable Business Management Groups ('SBMG')

Responsible Sourcing	Ethics	Energy and Environment	Communities	Packaging	Healthy and Sustainable Diets

Strategy

In the formulation of our Group Strategy, consideration is given to our Sustainability Strategy, and the commitments and targets we have set as part of that, to ensure our longer-term business strategy is an enabler for these ambitions.

Climate risk is considered in the context of our overall strategy-setting process, with particular consideration given to strategic choices on 'where to play' (what customers, categories and channels we have exposure to) and 'how to play' (how we manage our operations) will impact on delivery of our climate commitments, and correspondingly, the risks and opportunities that we expose the business to in the context of ongoing climate change. Of particular consideration is how we look to shape our product portfolio going forward – which product categories we may want to grow, reduce, enter or exit, particularly in light of the increasing consumer interest in healthy and sustainable diets, as well as the changing regulatory requirements with respect to data transparency and the 'health' status of food items.

Managing our Scope 3 footprint will also be an important consideration for strategic choices on our key value chain partners going forward. Our Scope 3 emissions and the associated climate risk from products and our supply chain make up most of our total emissions footprint. Managing both the transition and physical risk linked to our emissions profile (such as market, reputational and policy) in our value chain will require substantial collaboration with suppliers, as well as strategic climate-focused conversations with key customers. This year we developed a Healthy and Sustainable Diets Roadmap that will shape our conversations with customers going forward. This high-level roadmap will be matured towards our net zero plan (inclusive of Scopes 1, 2 and 3), which will include our value chain optimisation opportunities as well as product.

Financial planning and financial statements

Technological investment and the associated capital expenditure required to future-proof the business is also considered as we complete ongoing reviews of our asset base. The Group's capital expenditure process requires a sustainability assessment prior to approval being provided for expenditure to proceed. As part of this, the Group are considering the use of internal carbon prices for the purposes of making more sustainable capital expenditure decisions.

In FY23, the Group invested in effluent treatment at a number of sites to reduce the impact of discharges from our production locations. In addition, as part of the Group's focus on sustainable packaging, we invested in new machinery to support an alternative liner-less labelling format around our sushi packaging at one of our key production sites. Both of these are reflected as part of our additions to property, plant and equipment. There will be continued investment required in the near term to ensure delivery of our commitments to sustainability, most notably in energy efficiency, as we manage our consumption, reduce associated emissions, and reduce our reliance on market sourced energy. In the FY24 budget, the Group has budgeted for energy-related capital expenditure to drive more efficient use of energy in the business. There is also further capital expenditure set aside in the Group's strategic plans for the transition of the Group's distribution fleet to EVs and alternative fuels. The Group is expecting to replace its entire 3.5t fleet with EVs by 2035. From 2030 the Group will be focused on converting the larger HGV fleet to alternative fuels.

As the Group are targeting 2030 onwards for the full transition of the distribution fleet to EVs or to operate with an alternative fuel to diesel, there are no current anticipated impairments to the existing fleet.

From a going concern and viability perspective and goodwill impairment assessment, the above budgeted and forecast amounts have also been included in the assessments performed.

Refinancing of external borrowings

As disclosed in Note 32 to the Financial Statements, the Group refinanced its borrowings in November 2023. The refinancing has incorporated a number of key ESG objectives into the financing. The Group obtained a new £350m sustainability linked Revolving Credit Facility ('RCF') post year end. The RCF incorporates sustainability-linked performance targets which align with our Sustainability Strategy. The current performance targets include annual reductions of absolute Scope 1 and Scope 2 GHG emissions and reduction in the Group's Reportable Accident Frequency Rate. The target set will also evolve to include Scope 3 emissions following an update to the Group's target in the coming year. All targets need to be achieved in order to attain maximum margin benefit.

Business resilience to climate-related risks and opportunities

We carried out a climate change risk and opportunity assessment during FY22. The project was supported by an expert third party, reviewing climate risk and opportunity for the Group and utilising a climate scenario modelling tool. The analysis was conducted across six food categories (red meat, poultry, dairy, cereal, vegetables and produce) as well as property.

The identification of impacts were based on no changes being made to Greencore operations throughout the period selected, so that the full impact of what could occur if Greencore were not to take action could be understood.

The scenario analysis and modelling was completed under Representative Concentration Pathways scenarios 1.9 and 8.5. These model the potential impact on the six food categories and property from physical risk (being the risk of floods, increases in ambient temperatures and heatwaves) and transitional risk (being increased costs due to a carbon tax on emissions in the agricultural sector along with increases in compliance costs due to a carbon tax on Scope 1 and Scope 2 emissions) through to 2030. The period to 2030 was selected as this is the period most critical for decision-making in the near to medium term.

The scenario analysis identified that the potential impact of transition risk on the food categories selected was in excess of £5m for each of red meat, poultry, dairy, cereal and property if there is no mitigation employed and the Group's operating model in 2030 remained constant at FY21 levels. For vegetables, the potential impact would be between £1m and £3m, and for produce, the potential impact would be between £0.25m and £1m. For physical risk, the scenario analysis identified that the potential impact on each of the categories would be less than £0.25m. The analysis showed that the key risks for the Group mainly arise from carbon pricing under the low carbon transition scenario with the impacts from chronic climate change and acute climate events not found to be material for 2030.

This scenario analysis helped to provide an initial understanding on the climate-related physical and transition risks that are material to Greencore, which we need to manage through our broader stakeholder environment. The Group will continue to use this analysis as a baseline of understanding, but complete a more in depth scenario analysis in FY24 to inform a climate adaptation strategy that will guide our discussions with stakeholders and our supply chain, and support us in continuing to build a business resilient to the physical and transition climate risks that we will face.

TCFD continued

Climate risks and opportunities

Our global supply chain carries significant physical risk due the nature of our business and its reliance on the environment. The process of identifying climate-related risks and opportunities within our supply chain was done via a qualitative and quantitative risk assessment process completed in FY22. These key significant risks were then built into the scenario analysis process to fully capture relevant areas of the business. The following risks and opportunities are linked to our Sustainability Strategy on pages 24 to 31. The results of the scenario analyses are included below:

Physical risks

Chronic climate change and acute weather events

The occurrence of significant weather events including heatwaves, drought, floods, storms, crop pests and animal diseases and changes in precipitation patterns, rising mean temperatures and rising sea levels.

Horizon: Short/medium/long-term

The Group has noted that there was an immaterial impact to the Group's operations as a result of weather events over the past year. The Group believes that physical risks such as heatwaves, flooding and acute weather events will continue to be mitigated by the Group. However, the Group believes that the risk is applicable to the short, medium and long term due to the changing nature of acute weather events.

Impact on the Group:

The Group's business operations rely on raw materials that are key for the production of the Group's food products. Climate change and acute weather events may create shortages in availability or supply of raw materials that could cause interruption to the business and constraints on the supply of these critical materials.

Mitigation:

- The Group continuously researches alternative and/or new materials to use as substitutes for key materials to ensure resilience of supply chain and business operations.
- The Procurement team are focused on monitoring availability of existing raw materials to increase supply resilience.

Transition risks

Policy and legal

External infrastructure and energy transition planning resulting in increased costs and requiring strategic capital investment.

Horizon: Short/medium-term

Impact on the Group:

The availability of low carbon and reliable energy sources for energy intensive assets along with government policies and investment in clean energy, or lack thereof, could impact the continuity of products, increase costs of energy sources (e.g., pricing of greenhouse gas ('GHG') emissions) and require extensive investment to ensure reliable, clean energy sources.

Mitigation:

- The Group regularly monitors the regulatory and policy requirements in Ireland and the UK to identify changes in the regulatory environment that could adversely impact the Group's energy requirements.
- The Group applies hedging of energy as appropriate to avoid energy price fluctuations.
- The Group continually reviews and investigates alternative, lower carbon energy sources.
- The Group's Operations function focuses on innovations that reduce energy consumption and materials.

Market

Changing consumer preferences and changes to operational models requiring increased costs and changes in processes.

Horizon: Short/medium-term

Impact on the Group:

Changing consumer preferences could impact demand for products that the Group produces. The change in demand could require changes to the Group's operating model and require investment to facilitate changes to existing processes.

Mitigation:

- The Group closely monitors consumer preferences as part of the Group's operations, with healthy and sustainable diets a key focus of the Group.
- Maintain investment in research and development, process optimisation and product innovation.

Transition risks continued

Technology

Advancements in technology resulting in transition to lower emissions technology.

Horizon: Short/medium-term

Impact on the Group:

Advancements in technology could result in substitution of existing products, services or assets with lower emission options and lower emission technology. This in turn could cause asset write offs as a result of early retirement of assets that do not meet lower emission technology requirements.

Mitigation:

- The Group has put aside capital expenditure to assist the business with advancements in lower emissions technology.
- The Group includes sustainability considerations in its capital expenditure process and useful life of assets is reviewed annually.

Opportunities

Reputation

The work that the Group is doing on sustainable food products could result in favourable increase in demand due to shifts in consumer preferences.

Horizon: Short/medium-term

Impact on the Group:

Consumer demand is changing in response to climate risk and the Group's ability and reputation for producing products that align to changing consumer preferences could result in favourable increases in demand.

Actions to maximise:

- The Group is proactively working to upskill the organisation and assigning Plan Owners to bring sustainability into our everyday decision-making.
- The Group actively monitors consumer preferences.

Technology

Advancements in technology could reduce operating costs.

Horizon: Short/medium/long-term

Impact on the Group:

Advancements in technology could result in reduced operating costs through efficiency gains and reduced exposure to fossil fuels and volatile prices.

Actions to maximise:

- The Group is working to onboard advanced technology as evidenced through the changes being made to the Group's distribution fleet on a phased basis to electric and natural fuels.
- Efficient energy management in line with engineering asset management including installation of metering at sites to track energy use.

Time horizons for TCFD

Time period	Years	Reason
Short	0 to 3 years	Aligned to our financial planning cycle and typical capital investment payback time used for financial planning.
Medium	3 to 10 years	Nearer term to capture transition risks.
Long	10 years +	Longer term to capture physical risks and opportunities.

TCFD continued

Risk management

The identification and management of climate change risks follow our established risk management process for the broader business. The Board has overall accountability for setting the Group's strategy, reviewing, and monitoring the effectiveness of the Group's risk management systems, and establishing risk appetite. The Board in part discharges these duties through delegation to the Audit and Risk Committee ('ARC'). The ARC is responsible for overseeing and advising the Board on the organisation's risk exposures, risk management strategy, and the effectiveness of its risk management systems.

Principal risks, defined as those most likely to have a significant impact on Group-wide objectives, are identified by the Group Executive Team. The Group has identified the delivery of our sustainability agenda as a principal risk. Moving into FY24, broader climate-risk identification, assessment, mitigation, and review will be aligned more closely with our Enterprise Risk Management ('ERM') framework. Once integrated, this risk will be prioritised against all other business risks via the risk management process described on page 49. Our principal risk profile is dynamic and reviewed on a regular basis. New risks critical to the success of the Group will be captured and tracked by these processes as appropriate. Functional risks are identified and tracked across a range of risk registers embedded within core functions. These are the risks relevant to functional responsibilities and objectives and include a tracking of climate-related risk.

The most significant areas of risk identified to date relate to the potential impacts on raw material availability through changes in global weather patterns or extreme weather events, changing consumer demand leading to adjustments in our product portfolio, and the possible disruption to manufacturing and logistics operations. The existing and emerging regulatory requirements related to climate change is a key risk in the short term and will be closely monitored by the development of a three year Transparency Roadmap, that will be owned by the Sustainability team.

Principal, emerging, and functional Risks are reported to and reviewed by a quarterly Risk Oversight Committee ('ROC'), made up of the Group Executive Team and Director Internal Audit and Risk. The remit of the ROC is to provide management oversight of the suitability and effectiveness of the Group's risk management systems, including the risk management policy, protocols, and governance. The ROC is the primary forum in which climate risk is reviewed and addressed at business level. However, the more specific functional level climate risks such as a crop specific failure, site specific flooding or other site-specific disruption will be captured in the relevant Procurement and Operations risk registers.

The 2023 summer season has highlighted the accelerated risk of climate change as weather patterns become increasingly unstable and, in many cases, extreme and drawn out. In FY24, the Group will be focusing on how we identify, measure, and plan for climate risk across all parts of our business to ensure the business is preparing for heightened medium- and long-term impacts.

Read more on our Risk and Risk Management section on pages 49 to 57

Metrics and targets

This section discloses our operational energy consumption, carbon footprint, food waste and surplus, and energy efficiency targets in line with the UK Government's Streamlined Energy and Carbon Reporting ('SECR') Regulation.

Our food waste baseline year of FY17 differs from our Scope 1, 2 and 3 absolute carbon emissions baseline year of FY19 due to reporting in line with the food industry collaborative programme, the UK Food Waste Reduction Roadmap. We continue to disclose our total consumption and per tonne water impact in the interim as we work towards establishing a medium-term group reduction target as our primary measure.

We assess our performance against medium-term targets (2030) and short-term Key Performance Indicators ('KPIs'*), with our SBTi approved target being the primary measure for progress towards our net zero Scope 1 and 2 commitment for 2040, alongside supporting KPIs such as total gross emissions. With the new Forest, Land and Agriculture ('FLAG') regulation coming into effect in March this year, affecting Greencore from FY24, we will begin work to reset our Scope 3 target to align with a 1.5°C trajectory, and the FLAG regulation, as well as move to an absolute measure to enable a glide path to net zero. Our FY24 footprint will be calculated using the FLAG methodology across our ingredient footprint, however we do not expect to have our new target approved by this point due to known approval delays by the SBTi, so we will report against our current, relative, SBTi Scope 3 target in FY24.

The SBTi requires that science-based targets are recalculated to reflect material changes in climate science and business context to ensure their continued relevance. The SBTi stipulates that targets shall be reviewed and, if necessary, recalculated and revalidated every five years at a minimum. We review our GHG inventory on an annual basis and restate our data and/or recalculate our science-based targets when required, to reflect changes to our group structure, methodology changes or errors.

* We have annual reduction targets in place for energy, water and food waste, formed as part of a nonlinear pathway to 2030. This pathway was previously linear but has been adjusted to reflect historical performance.

Annual greenhouse gas ('GHG') emissions (tonnes CO_2e)*

Emissions from Absolute Group GHGs:	**FY23**	FY22	Base FY19
Combustion of fuel and operation of facilities (Scope 1)	**71,858**	72,320	60,952
Electricity, heat, steam and cooling purchased for own use (Scope 2)	**21,508**	20,335	28,654
Total gross emissions (tCO_2e) Scope 1 and 2	**93,366**	92,655	89,606
Green tariff (tCO_2e from green energy certificates)	**(1,761)**[3]	(19,563)	(28,624)
Total net emissions (Scope 1 and 2)	**91,605**	73,092	60,982
Scope 3 emissions (m tonnes of CO_2e)[2]	**1.40**	1.48	1.58[1]
Total Scope 1, 2 and 3 emissions (m tonnes of CO_2e)	**1.49**	1.55	1.67
GHGs Intensity Measure			
Revenue (£'000)	**1,913,696**	1,739,600	1,446,100
Scope 1 and 2 kilogrammes CO_2e/£1 revenue	**0.049**	0.053	0.062
Scope 3 tonnes CO_2e/t product	**2.73**	2.74[1]	2.81[1]

* GHG emissions data for Scope 1 and 2 is calculated by reference to our core Group operations and offices in the UK and Ireland (excluding Trilby Trading Limited). Our GHG emissions have been calculated using the GHG Protocol Corporate Accounting and Reporting Standard, and emissions factors from the Department for Energy, Security and Net Zero ('DESNZ'), using UK Government GHG Conversion Factors for Company Reporting.
1. Adjusted historical data for Scope 3 emissions reflecting updates to data collection and ensuring consistency of approach.
2. Scope 3 emissions scoping, data collection and analysis has been performed in line with the Greenhouse Gas Protocol Corporate Standard, which is the most widely recognised framework for corporate GHG accounting internationally. The key categories for Scope 3 included in this assessment are purchased goods and upstream transport. These are tracked for the science-based target set in 2021 as they were assessed to be the material categories during our original whole business baseline and target setting process.
3. This follows a move away from Renewable Energy Guarantees of Origin this year, to focus on workstreams such as solar, PPAs, and other renewables options.

Annual energy consumption*

Emissions from:	**FY23**	FY22	Base FY19
Fuel non-renewable (MWh)	**346,484**	346,107	289,954
Fuel renewable (MWh)	**2,248**	1,498	1,045
Total fuel consumption (MWh)	**348,733**	347,605	290,999
Total electricity consumption (MWh)	**103,781**	105,087	108,012
Total energy consumption (MWh)	**452,513**	452,692	399,011

* Total energy consumption in MWh was calculated from primary consumption data, using standard conversion factors from the UK Government GHG Conversion Factors for Company Reporting 2023. The data was collated specifically for this Annual Report and Financial Statements. Energy consumption data is for UK and Ireland office and operations (excluding Trilby Trading Limited).

Energy and water KPIs (for manufacturing only)

Emissions from:	**FY23**	FY22	Base FY19
Total primary energy consumption (MWhp)	**489,782**	488,497	467,617
Energy intensity ratio (kWhp/tonne)	**1,250**	1,254	1,235
Water consumption (megalitres)	**2,717**	2,709	2,255
Water per tonne of production (m^3/tonne)	**6.93**	6.96	5.96

Food waste and surplus (for manufacturing only)

Tonnes:	**FY23**	FY22	Base FY17
Food waste	**34,523**	36,737	42,180
Animal feed	**6,506**	5,911[1]	7,285
Surplus redistribution	**770**	688	746
Total food handled	**432,050**	433,012	442,865
Food waste as a % total food handled	**7.99%**	8.48%	9.52%

1. Number revised following reporting improvements.

Focuses for FY24

We will continue to develop our understanding of how climate will materially impact our business, both through risks and opportunities. Our focus activities for the next 12 months will include:

- Continue to develop our roadmaps and activities towards meeting our climate commitments including decarbonisation targets under SBTi;
- Update our scenario analysis to inform an evaluation of our key risks and opportunities;
- Ensure climate-risk identification, assessment, mitigation, and review is aligned more closely with our ERM Framework as well as strategic and financial planning;
- Ensure climate-risk and opportunity is embedded and monitored under the same governance framework as our Sustainability Strategy;
- Ensure our Board, Group Executive Team and functional leaders are upskilled on climate risk and opportunity; and
- Collaborate with our key suppliers with the intention to include validated supplier data to further refine our Scope 3 and increase the accuracy, allowing us to better understand the ingredient and packaging physical risk profile.

We recognise the deep and intricate connections between food systems and the health of both people and planet, as well as the impact of a changing climate for our own future. Greencore is committed to maturing both our understanding and approach to the risk we face, the mitigating actions to address these and upskilling our business leaders to support this.

Our Key Performance Indicators

FINANCIAL

We use our Key Performance Indicators ('KPIs') to assess and monitor the performance of the Group and to measure our progress against our strategic objectives.

Our financial KPIs measure progress of our strategic priorities in delivering profitability, returns and cashflow. In measuring this progress, we also consider the relationship between each of these measures.

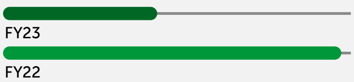
All of the Group's financial KPIs are non-IFRS measures or Alternative Performance Measures ('APMs'). The definitions, calculations and reconciliations of all APMs (including these financial KPIs) to IFRS are set out within the APMs section on page 177.

Profitability

Pro Forma Revenue Growth

+13.5%

(FY22: +29.4%)



Strategic relevance

The Group uses Pro Forma Revenue Growth as it believes this provides a more accurate guide to underlying revenue performance. It is central to our strategic framework.

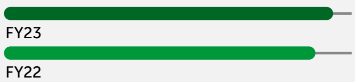
FY23 performance

Pro Forma Revenue Growth increased by 13.5% in FY23 driven by modest volume growth (including impact of new business wins) and the pass through of inflation. In addition, an adjustment was made to reflect the additional trading week in FY22 as FY22 was a 53 week trading period and FY23 was a 52 week trading period.

Adjusted Operating Profit

£76.3m

(FY22: £72.2m)



Strategic relevance

The Group uses Adjusted Operating Profit to measure the underlying and ongoing operating performance of each part of the business and of the Group as a whole.

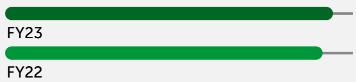
FY23 performance

Adjusted Operating Profit in FY23 was £76.3m, an increase of £4.1m against FY22, supported by the implementation of commercial and operational initiatives.

Adjusted Earnings per Share ('EPS')

9.3p

(FY22: 9.2p)



Strategic relevance

The Group uses Adjusted EPS as a key measure of the overall underlying performance of the Group and returns generated for each share.

FY23 performance

Adjusted EPS was 9.3 pence an increase of 0.1 pence against FY22, as a result of an improvement in Adjusted Operating Profit.

Link to remuneration

The remuneration of Executive Directors is aligned closely with financial and non-financial KPIs through the Company's Performance Share Plan ('PSP') and Annual Bonus Plan ('ABP'). PSP awards granted in FY23 (and those intended to be granted in FY24) are based on a scorecard of three equally-weighted measures comprising Return on Invested Capital ('ROIC') and Adjusted EPS, alongside Total Shareholder Return ('TSR'). The financial element of the ABP continues to be linked to Adjusted Operating Profit (weighted 50%) and Free Cash Flow (weighted 25%), with the remaining 25% linked to personal and strategic objectives selected each year to reflect our non-financial KPIs and other short-term business priorities.

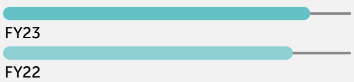
See Report on Directors' Remuneration on page 88

Returns

ROIC

8.9%

(FY22: 8.4%)



Strategic relevance

The Group uses ROIC as a key measure to determine what return is generated from each part of the business, as well as measuring the financial quality of potential new investments.

FY23 performance

The Group's ROIC in FY23 was 8.9% which was 50bps ahead of the FY22 measure of 8.4%. ROIC was positively impacted by the increase in Adjusted Operating Profit, which was offset by an increase in the effective tax rate from 19% to 21%.

Cash Flow

Free Cash Flow

£56.8m

(FY22: £58.7m)

Strategic relevance

The Group uses Free Cash Flow to measure the amount of underlying cash generation and the cash available for distribution and allocation.

FY23 performance

Free Cash Flow in FY23 was an inflow of £56.8m compared to £58.7m in FY22. The main driver of the decrease is due to increased Maintenance Capital Expenditure and increased financing costs. In addition, the Group had lower Strategic Capital Expenditure than FY22 and disposed of Trilby Trading Limited during FY23.

Free Cash Flow Conversion

42.8%

(FY22: 46.3%)

Strategic relevance

The Group uses Free Cash Flow Conversion to measure how efficiently profits from the overall underlying performance of the Group are transformed to cash available for distribution and allocation.

FY23 performance

The Free Cash Flow Conversion metric of 42.8% decreased from 46.3% in FY22 consistent with Free Cash Flow, this was due to increased Maintenance Capital Expenditure and increased financing costs. In addition, the Group had lower Strategic Capital Expenditure than FY22 and disposed of Trilby Trading Limited during FY23.

Our Key Performance Indicators continued

NON-FINANCIAL

We use our KPIs to assess and monitor the performance of the Group and to measure our progress against our strategic objectives. Our non-financial KPIs are designed to measure progress against the key drivers of our purpose – People at the Core, Sustainability, Excellence and Great Food.

People at the Core

Employee engagement

% Engagement in survey

76%

(FY22 and FY23)[1]

Strategic relevance

Our employee engagement score provides us with insight into how committed our people are to our goals, how motivated they are to contribute to our success and importantly how likely they are to recommend Greencore as an employer.

FY23 performance

The full People at the Core survey is completed by our colleagues every 18 months. In the interim period, we issued a Pulse Engagement Survey. During FY23, a Pulse Engagement Survey was carried out across five key sites and all central functions asking colleagues to share their thoughts on how we've progressed on engagement action plans. We are pleased to report that the sustainable engagement scores for the five key sites and central functions increased from 74% to 76%. Our next full People at the Core survey will take place in summer 2024.

Learning and development

% Internal progression rate

41%

(FY22: 44%)

Strategic relevance

We aim to motivate and support our people to take on more responsibility and ownership, we also recognise and reward talent. The internal progression rate is a useful measure to assess this development and is calculated as the total number of roles vacant in the year that were filled by internal candidates.

FY23 performance

Despite a slight decline in the internal hire ratio our Grow with Greencore approach helps our people to enrich their careers, providing opportunities for growth and progression, and to achieve their potential.

1. The % engagement in survey score for FY22 and FY23 is 76% as this KPI relates to the People at the Core survey that took place in October 2022 and therefore applies to both FY22 and FY23.

Sustainability

Food waste

Waste as % total food handled

7.99%

(FY22: 8.5%)

Strategic relevance

Managing food waste is a top priority across our operations. We address this in multiple ways including prevention, redistribution, and use in animal feed. This forms the basis of our commitment to halve our food waste (from a FY17 baseline) by 2030, in line with the UN Sustainable Development Goal target.

FY23 performance

In FY23, our food waste, measured as a percentage of the product and ingredient handled, was 7.99%. This is a decrease from last year's performance at 8.48%, primarily due to the Group's continued focus on simplification of products, as well as improvements in data and reporting. To date, we have achieved a 1.53% reduction from our base year (FY17) in food waste as an overall percentage of food handled, and 16% of the 50% reduction target set for 2030.

Energy efficiency

Primary energy consumption per tonne

1,250

kWp per tonne
(FY22: 1,254)

Strategic relevance

Reducing GHG emissions through intelligent energy use will help us transition towards a net zero future. We have committed to science based targets to help guide us to succeed, and we are continually monitoring our use of energy to assess our progress.

FY23 performance

In FY23, our total gross Scope 1 and 2 carbon emissions increased from the previous year from 92,655 tonnes to 93,366 tonnes, an 0.8% increase, and from our base year of 89,606 tonnes an increase of 4.2%. Although data quality and availability has improved this year, we have not decoupled energy consumption from production tonnage. We are committed to addressing our challenges in the coming year by deploying our Energy Roadmap across our Operations network.

Link to remuneration

The remuneration of Executive Directors is aligned closely with financial and non-financial KPIs through the Company's Performance Share Plan ('PSP') and Annual Bonus Plan ('ABP'). PSP awards granted in FY23 (and those intended to be granted in FY24) are based on a scorecard of three equally-weighted measures comprising ROIC and Adjusted EPS, alongside Total Shareholder Return ('TSR'). The financial element of the ABP continues to be linked to Adjusted Operating Profit (weighted 50%) and Free Cash Flow (weighted 25%), with the remaining 25% linked to personal and strategic objectives selected each year to reflect our non-financial KPIs and other short term business priorities.

See Report on Directors' Remuneration on page 88

Excellence

Service

% products delivered on time and in full

98.5%

(FY22: 97.4%)

Strategic relevance
Building customer relationships underpins the Group's strategic priority to deepen customer relevance. An important component of measuring this is our service level. We track our service level by measuring the products we deliver to customers, on time and in full, compared to what they ordered from us.

FY23 performance
Operational service levels in the year were improved from 97.4% to 98.5%, as supply chain and labour challenges eased and other operational improvements were embedded.

Health and safety

Reportable Accident Frequency Rate ('RAFR')

0.26

(per 100,000 hours)
(FY22: 0.33)

Strategic relevance
We are committed to enhancing the health, safety and wellbeing of our colleagues. We recognise this is critical to the success of our business, and we work hard to understand risks to our colleagues in order to build strategic, targeted and evidence-based interventions.

We continually review and measure the performance of our compliance and culture through monitoring performance measures and auditing that informs Greencore leadership on improvement programmes for health and safety.

FY23 performance
Our RAFR has shown a slight improvement from 0.33 to 0.26 as a result of a continued focus on health and safety.

Great Food

Food safety

% BRCGS audits at AA/A grades

100%

(FY22: 100%)

Strategic relevance
Producing safe, authentic and excellent quality food is central to everything we do. The Group utilises the Brand Reputation Compliance Global Standards in food safety (the 'BRCGS') to measure food safety levels, a standard that is recognised by the Global Food Safety Initiative. Testing is carried out through audits on food safety, quality and operational criteria at each of our sites. All unannounced audits were paused during the pandemic. These are now being reinstated so the current audit results are a mixture of announced and unannounced audits.

FY23 performance
For the sixth consecutive year, we met the highest level of food safety performance, with all 16 of our manufacturing sites audited achieving AA or A grades, the highest levels attainable for announced audits under BRCGS.

Commercial

Advantage survey

#1

(FY22:#1)

Strategic relevance
Central to our commercial success is a relentless focus on our customer relationships. Each year, the Advantage Group surveys retailers about their chilled convenience supplier base, both branded and own-label, across a range of important performance areas.

FY23 performance
Despite a challenging backdrop, we maintained the number-one position in the overall Advantage Group survey. We ranked as clear number-one supplier within the food to go and ready meals categories and scored strong positions across our other product areas.

Operating and financial review

OPERATING REVIEW[1]

Strategic developments

The Group delivered good progress against its strategic priorities in FY23, underpinned by close customer engagement in a highly inflationary and difficult consumer spending environment. The Group delivered year-on-year reported revenue growth of 10.0%, through a combination of underlying volume growth, including net new business wins and also recovering significant levels of inflation. Manufactured volume growth of 0.5% represents a strong volume performance, relative to the wider market performance. The Group maintained outstanding operational service levels during the financial year, working closely with our customers and supply partners, with overall service levels at 98.5% in FY23 compared to 97.4% in FY22.

Management has remained focused on proactively managing contract returns and capacity management across the Group. The Group has exited a number of contracts, which were delivering sub-optimal returns with a focus on maximising returns and optimising use of our manufacturing footprint.

The Group successfully delivered on its Better Greencore programme targets in FY23, a change programme to drive efficiency and profit improvement, with a focus on fixed cost and overhead inflation. The targeted £30m of annualised benefits from this programme were realised during H2 FY23. In March 2023, the Group accelerated a headcount reduction programme which resulted in the reduction of approximately 250 salaried roles, in addition to this, a further 100 vacant salaried roles were removed from the organisational structure.

An exceptional charge of £8.9m was recognised in FY23 related to the Better Greencore programme; bringing the cumulative cost of delivery of the programme to £25.7m, including £0.7m of capital expenditure.

During the financial year the Group established a strategic framework for recovery and growth, with goals set across a three horizon framework:

Trading Performance

	FY23 £m	FY22 £m	Change (As reported)	Change (Pro Forma basis)
Revenue	1,913.7	1,739.6	+10.0%	+13.5%
Group Operating Profit	66.0	52.1	+£13.9m	n/a
Adjusted Operating Profit	76.3	72.2	+£4.1m	n/a
Group Profit Before Tax	45.2	39.8	+£5.4m	n/a

- The first objective was to stabilise the business through the first horizon, which was achieved in FY23;
- The second horizon is focused on the rebuilding of profitability and returns; and
- The focus of the third horizon is to further develop our strong growth platform.

Our horizon framework will guide the prioritisation and sequencing of our long-term strategic objectives.

The Group also initiated incremental activity on commercial and operational efficiencies to support profitability and mitigate inflation in FY23. The Group made good progress in implementing these in FY23 as outlined below.

- A commercial excellence programme combining profit enhancement activities across volume, cost, pricing and product mix:
  - a deep product innovation pipeline has enabled the Group to drive volume and unlock value for both Greencore and customers;
  - improvements in our NPD process have increased efficiency and allowed us to better support customers;
  - in FY23, the number of SKUs were reduced by 9% with volume per SKU increasing 10%; while the Group continued to be a supplier of choice to our chosen partners; and
  - increased focus on returns has led to the resignation from contracts which were delivering sub-optimal returns.
- A structured operational excellence programme has been rolled-out across the business. This involves:
  - detailed diagnostic benchmarking of the Group's manufacturing facilities;
  - the selection of four pilot large sites for improvement activities, which together account for c.50% of Group cost of goods sold; and
  - implementation of improvement methodologies, with each of the four sites focused on one of material waste, labour, planning, supply chain planning or engineering.

Following on from this the Group will continue to focus on commercial excellence, operational excellence and continued tight management of costs.

The Group announced the appointment of Catherine Gubbins as Executive Director and Chief Financial Officer on 5 September 2023. Catherine joins the business on 6 February 2024 from daa plc, the global airports and travel retail group where she has worked for nine years in various roles including as Group CFO since March 2021.

In November 2023, John Amaechi and Sly Bailey advised the Board that they would not be seeking re-election at the 2024 Annual General Meeting.

Trading Performance

Group reported revenue increased by 10.0% to £1.9bn in FY23. Reported revenue growth was driven by an 11.3% benefit from recovery of cost inflation, a 0.7% benefit from manufactured volume increases (a combination of underlying growth, price mix and new business wins) and a (1.9%) decline related to distribution of third-party goods, the Trilby Trading Limited business and revenue contribution from the 53rd week in FY22. On a pro forma basis, revenue increased 13.5% in FY23 as a result of

1. The Group uses Alternative Performance Measures ('APMs') which are non-International Financial Reporting Standards ('IFRS') measures to monitor the performance of its operations and of the Group as a whole. These APMs along with their definitions and reconciliations to IFRS measures are provided in the APMs section on page 177.

Group Cash Flow and Returns

	FY23 £m	FY22 £m	Change (As reported)
Free Cash Flow	56.8	58.7	-£1.9m
Net Debt	199.0	228.0	-£29.0m
Net Debt (excluding lease liabilities)	154.0	180.0	-£26.0m
ROIC	8.9%	8.4%	50bps

adjusting for the impact of the 53rd week in FY22 and the disposal of the edible oils trading business, Trilby Trading Limited.

Overall, Group Operating Profit in FY23 increased 26.7% to £66.0m and Adjusted Operating Profit increased by 5.7% to £76.3m. The Adjusted Operating Profit improvement was driven by the increased revenue performance underpinned by the operational and commercial initiatives implemented during the financial year. Group Profit Before Tax was £45.2m in FY23, compared to £39.8m in FY22.

Substantial inflation in the Group's main cost components led to a low double digit percentage rate of inflation in FY23. Inflation incurred was largely recovered or mitigated in the period, through a number of mechanisms, including pass-through of cost increases, cost reductions, product and range reformulations, and alternative sourcing. Specifically, the Better Greencore change programme alongside other efficiency initiatives also supported the offsetting, recovery and mitigation of labour, fixed cost and other overhead cost inflation.

The largest component of inflation was in commodities across raw materials and packaging, some of which was recovered through pre-agreed recovery mechanisms in place with a number of customers. The other elements of inflation were largely recovered through a combination of close customer engagement and operational efficiencies. Key initiatives on which the Group worked in collaboration with customers, included range alterations, packaging redesigns and product reformulations.

New business, net of business losses, contributed c.2% of the Group's revenue growth in the period. The new business was largely driven by the annualisation of the on-boarding of a strategic business win across multiple categories, which was supported by a strategic capital investment.

The Group managed a very active commercial agenda with customers in FY23 and launched approximately 400 new or reformulated products, within the Group's total SKU range of more than 1,600 products. Examples of launches with key customers during the financial year include Christmas ranges of sandwiches. In January 2023, a series of new own label brands were launched in the vegan and health category with major retailers. We also launched a new range of cooking sauces, as well as creating summer twists on the nation's favourite quiche and picnic ranges.

Revenue in the Group's Food to Go categories (comprising sandwiches, salads, sushi and chilled snacking) totalled £1.25bn and accounted for approximately 65% of reported revenue. Reported revenue increased by 7.9% in these categories, largely driven by inflation recovery, in addition to volume growth in sandwiches and the contribution of new business wins. The Group also experienced volume growth across the Food to Go Salads category, however there were weaker performances in the Side of Plate category and a continued challenging own label sushi market. Revenue from the distribution of third-party products accounted for approximately 9% of Group revenue in FY23.

The Group's Other Convenience categories comprise activities in the chilled ready meals, chilled soups and sauces, chilled quiche, ambient sauces and pickles, and frozen Yorkshire Pudding categories, as well as the Trilby Trading Limited business. Reported revenue across these categories increased by 14.3% to £661.1m in FY23. The increase was driven by inflation recovery, in addition to volume increases across a number of categories. Revenue related to volume growth was 0.4% higher than in FY22, excluding the impact of the 53rd week in FY22, due largely to the annualisation of new business wins onboarded in the ready meals category in FY22. In addition to this the Group also saw a strong volume performance in the cooking sauce and soup categories, however much of the remainder of the grocery category saw a more challenging performance.

Group Cash Flow and Returns

The Group continued to carefully manage both Cash Flows and leverage in FY23.

The Group recorded a Free Cash inflow of £56.8m in FY23 a modest decrease on the prior year as the higher profitability in FY23, was offset by increases in financing and tax costs. Free Cash Flow conversion was 42.8% compared with 46.3% in FY22.

The Group's Net Debt at 29 September 2023 was £199.0m, a decrease of £29.0m compared to 30 September 2022. Net Debt excluding lease liabilities was £154.0m down 14% on the prior year due to increased profitability, reduction in capital expenditure and disposal proceeds of Trilby Trading Limited. The Group's Net Debt: EBITDA leverage covenant as measured under financing agreements was 1.2x at period end, compared to 1.5x at 30 September 2022.

Operating and financial review continued

In January 2023, the Group further strengthened its balance sheet when it extended the maturity on its £50m bilateral facility by two years to January 2026. As at 29 September 2023, the Group had total committed debt facilities of £482.8m, a weighted average maturity of 2.1 years and cash and undrawn committed bank facilities of £327.8m. Subsequent to the year end, the Group has refinanced its debt facilities with a new five year £350m sustainability linked revolving credit facility.

ROIC increased to 8.9% for the year ended 29 September 2023, compared to 8.4% for the prior year. The year-on-year increase was driven primarily by increased profitability in the 12-month period to 29 September 2023. Average invested capital decreased year-on-year from £695.0m to £678.1m.

Better Future Plan

During FY23, we focused on assigning ownership of action and refined topic priorities to help us to reach our targets.

Our FY23 key sustainability strategy progress included the implementation of a new Plan Ownership Model which sees plan owners within relevant business functions take responsibility for each element of our *Better Future Plan* and defined the strategic focus to four priorities; energy, food waste, communities and healthy and sustainable diets.

Progress across the *Better Future Plan* was made as outlined below:

- reported on deforestation-free soy for the first time, providing visibility of the total soy footprint;
- embedded human rights as an agenda item for discussion in key supplier performance meetings;
- launched scope 3 carbon engagement with key suppliers, for collaboration with suppliers;
- completed energy savings opportunity scheme (ESOS) audits across 80% of our total group energy usage; and
- on-boarded the Mondra environmental footprinting tool.

FINANCIAL REVIEW[1]

Revenue and Operating Profit

Reported revenue in the period was £1,913.7m, an increase of 10.0% compared to FY22, due to increased volume in the financial year including new business wins, as well as recovery of inflation. Pro Forma Revenue increased by 13.5%. Pro Forma Revenue adjusts for the disposal of the Trilby Trading Limited in both financial years and has adjusted FY22 revenue for the additional week of trading.

Group Operating Profit increased from £52.1m in FY22 to £66.0m in FY23 as a result of the increased revenue performance underpinned by the operational and commercial initiatives implemented during the financial year. Adjusted Operating Profit was £76.3m compared to £72.2m in FY22. Adjusted Operating Margin was 4.0%, 20bps lower than FY22.

Net finance costs

The Group's net bank interest cost was £16.9m in FY23, an increase of £5.8m versus FY22. The increase was driven by higher cost of debt during FY23. The Group also recognised a £1.2m interest charge relating to the interest payable on lease liabilities in the period (FY22: £1.2m).

The Group's non-cash finance charge in FY23 was a net £2.7m (FY22: £Nil). The change in the fair value of derivatives and related debt adjustments including foreign exchange in the financial year was a £1.4m charge (FY22: £1.2m credit) and the non-cash pension financing charge of £1.2m was £0.1m higher than the FY22 charge of £1.1m.

Profit before taxation

The Group's Profit before taxation increased from £39.8m in FY22 to £45.2m in FY23, driven by higher Group Operating Profit and lower exceptional items offset by higher finance costs. Adjusted Profit Before Tax in the period was £58.1m compared to £59.8m in FY22, the decrease primarily driven by a higher effective tax rate.

Taxation

The Group's effective tax rate in FY23 was 21% (FY22: 19%). The increase in the effective tax rate reflects the increase in the UK corporation tax rate.

Exceptional items

The Group had a pre-tax exceptional charge of £6.7m in FY23, and an after tax charge of £5.5m, comprised as follows:

Exceptional Items	£m
Reorganisation costs	(8.9)
Pension restructuring	(0.4)
Profit on disposal of trading business	0.1
Release of legacy business liability	1.7
Reversal of Impairment	0.6
Non-core property related income	0.2
Exceptional items (before tax)	**(6.7)**
Tax on exceptional items	1.2
Exceptional items (after tax)	**(5.5)**

In FY23, the Group continued the Better Greencore programme to support the Group's excellence cost efficiency programmes and to unlock further cost efficiencies by reducing organisational complexity. The Group recognised a charge of £8.9m in respect of work carried out in the period (FY22: £16.1m). These exceptional costs were offset by a number of exceptional credits which included the profit on disposal of Trilby Trading Limited of £0.1m and the release of a legacy business liability of £1.7m.

Earnings per share

The Group's basic earnings per share for FY23 was 7.2 pence compared to 6.2 pence in FY22. This was driven by a £3.6m increase in profit attributable to equity holders and a decrease in the weighted average number of shares in issue in FY23 to 495.4m (FY22: 523.4m) due to the impact of the share buyback programme.

Adjusted Earnings were £46.2m in the period, £1.9m behind FY22 largely due to an increase in Adjusted Operating Profit offset by an increase in interest and tax costs.

Adjusted Earnings Per Share of 9.3 pence compared to adjusted earnings per share of 9.2 pence in FY22.

Cash Flow and Net Debt

Adjusted EBITDA was £5.9m higher in FY23 at £132.8m. The Group recognised a net working capital inflow of £2.2m (FY22: working capital inflow of £2.0m). Maintenance Capital Expenditure of £26.6m was recorded in the financial year (FY22: £16.9m). The cash outflow in respect of exceptional charges was £10.9m (FY22: £13.6m).

Interest paid in the period was £17.6m (FY22: £16.7m), including interest of £1.2m on lease liabilities, an increase on FY22 reflecting higher interest costs on borrowings in FY23. The Group recognised tax paid of £2.7m (FY22: £2.2m tax receipt) in the period. The cash tax payable by the Group will remain low due to the availability of full expensing relief for capital expenditure. The Group's effective tax rate will be higher than the cash tax rate in the medium term as deferred tax liabilities will arise on assets where full expensing relief has been claimed. The deferred tax liabilities will release over the useful life of the assets. Cash repayments on lease liabilities decreased to £15.6m (FY22: £17.3m). The Group's cash funding for defined benefit pension schemes was £11.1m (FY22: £11.5m).

In FY23, the Group recorded Strategic Capital Expenditure of £10.8m (FY22: £33.1m).

The Group did not make any equity dividend cash payments in either period. The Group made net share purchases of £30.1m in FY23 reflecting the continuation of the Group's share buyback programme in FY23 with £26.2m of shares bought back in FY23 and the purchase of shares for the Group's employee share ownership scheme of £3.9m. This compared to net share purchases of £11.8m in FY22.

In September 2023, the Group completed the sale of its interests in its edible oils business, Trilby Trading Limited for a final net cash consideration of £6.1m.

1. The Group uses Alternative Performance Measures ('APMs') which are non-International Financial Reporting Standards ('IFRS') measures to monitor the performance of its operations and of the Group as a whole. These APMs along with their definitions and reconciliations to IFRS measures are provided in the APMs section on page 177.

Operating and financial review continued

The Group's Net Debt excluding lease liabilities at 29 September 2023 was £154.0m, a decrease of £26.0m compared to the end of FY22.

Financing

As at 29 September 2023, the Group had total committed debt facilities of £482.8m and a weighted average maturity of 2.1 years. These facilities comprised:

- a £340.0m revolving credit bank facility with a maturity date of January 2026;
- a £50.0m bilateral bank facility with a maturity date of January 2026;
- a £45.0m bank term loan facility with a maturity date of June 2024; and
- £13.5m and $41.9m of outstanding Private Placement Notes with maturities ranging between June 2024 and June 2026.

At 29 September 2023 the Group had cash and undrawn committed bank facilities of £327.8m (FY22: £398.0m).

Subsequent to the financial year end, the Group has refinanced its debt facilities with a new five year £350m sustainability linked revolving credit facility ('RCF'), maturing in November 2028 with the option to extend for up to a further two years. The facility also includes a £100 million accordion option which provides additional potential financing facilities. This new facility replaces the existing £340m RCF that was due to mature in January 2026. A £45m term loan due to mature in June 2024 was also repaid in full as part of this debt restructuring.

Pensions

All of the Group's legacy defined benefit pension schemes are closed to future accrual. The net pension deficit relating to legacy defined pension schemes, before related deferred tax, at 29 September 2023 was £20.1m, £0.2m lower than the position at 30 September 2022. The net pension deficit after related deferred tax was £12.8m (FY22: £10.4m), comprising a net deficit on UK schemes of £28.3m (FY22: £44.5m) and a net surplus on Irish schemes of £15.5m (FY22: £34.1m).

In November 2022, the trustees of the Irish legacy defined benefit scheme entered into an annuity buy-in transaction to purchase an insurance policy for the pensioner liabilities, representing approximately 80% of the liabilities of the scheme. This has the benefit of de-risking the future of the scheme. The insurance policy is treated as a plan asset and the fair value of the policy is determined to be the present value of the related obligations. At the completion of the buy-in of the insurance policy, the Group recognised an actuarial loss in equity reflecting the change in the value of the plan assets to match the related obligation.

The decrease in the Group's net pension deficit was driven principally by net actuarial losses particularly on the Irish scheme offset by contributions paid by the Group. The movement in the discount rate is driven by the corporate bond rate. The UK scheme is 75% hedged for movements in gilt yields.

Separate to this IAS 19 *Employee Benefits* valuation, the valuations and funding obligations of the Group's legacy defined benefit pension schemes are assessed on a triennial basis with the relevant trustees. A full actuarial valuation was carried out on the Irish scheme at 31 March 2022 and a full actuarial valuation is ongoing with reference to 31 March 2023 for the UK defined benefit scheme. The Group expects the annual cash funding requirement for all schemes to be approximately £12m–£15m.

Return of value to shareholders

In May 2022, a £50m return of value to shareholders over the next two years was announced. The Group completed £35.0m of share buyback programme to 29 September 2023, of which the total cash returned in FY23 was £26.2m. On 10 October 2023, the continuation of the Group's share buyback programme was announced up to a maximum of £15.0m to 30 March 2024. Between 10 October 2023 and 24 November 2023, the Company purchased a total of 4,907,006 ordinary shares under the Buyback Programme, returning an additional £4.5m in cash to shareholders.

Jonathan Solesbury
Interim Chief Financial Officer
27 November 2023

Risks and risk management

MANAGING OUR RISKS

The Group recognises that effective risk management is critical to our success and that like all businesses, we face a wide range of risks that could impede the achievement of our vision and strategic objectives. A new Group Enterprise Risk Management ('ERM') framework has been established to support informed decision-making and to ensure that such risks are understood, evaluated, and mitigated.

In FY23, we conducted a comprehensive review of our ERM framework, introducing an enhanced risk strategy, process, and governance arrangements.

Risk management strategy

The Group's enhanced risk management strategy acknowledges that effective risk management supports us in achieving our strategy and delivering for our customers.

The Board has ultimate accountability for reviewing and monitoring the effectiveness of our risk management systems and is committed to:

- identifying, understanding, and assessing risks that threaten the achievement of our strategy and objectives, and responding to them appropriately;
- embedding risk management in all areas of our work;
- recognising that focus must not only be on eliminating risk, and that some risk taking to support the Group's ambitions may be appropriate;
- establishing a risk-aware culture to support informed decision-making and ownership of risk throughout the business;
- articulating a Statement of Risk Appetite to provide direction and set boundaries on the amount or type of risk that can be accepted throughout the Group; effectively and efficiently prioritising the use of resources to address the most significant risks;
- producing insightful and value-add risk reporting;
- monitoring progress and evaluating the effectiveness of our approach to risk management; and
- ensuring that all colleagues understand their responsibilities in relation to ERM.

Risk management process

The new ERM framework is supported by a refreshed risk process and methodology, with a standardised toolkit supporting a four stage process:

Stage 1: Risk identification uses a variety of approaches, tools, and techniques to evaluate the business environment and consider the risk events that could impede the successful achievement of the Group's or functions objectives. Risks are assigned ownership and categorised according to their nature.

Stage 2: Risk assessment takes place to support prioritisation and decision-making, with an evaluation of risk impacts and likelihoods in line with standard criteria, and the documentation of the existing control environment.

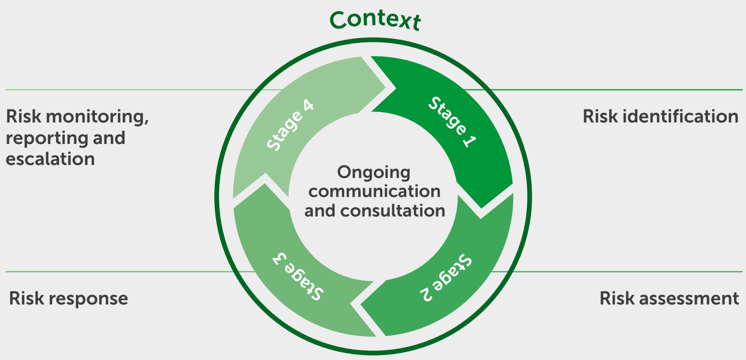
Stage 3: Risk response activities are planned and pursued for risks where the exposure is greater than the target risk levels defined by our risk appetite, and will incorporate a mix of actions aimed at reducing both the likelihood of the risk materialising and its potential impacts.

Stage 4: Involves regular **risk monitoring** to track progress, evaluate control effectiveness, and consider changes in the risks or risk landscape, suitable **reporting** within a governance framework to provide assurance across the Group, and the **escalation** of significant risks according to certain criteria.

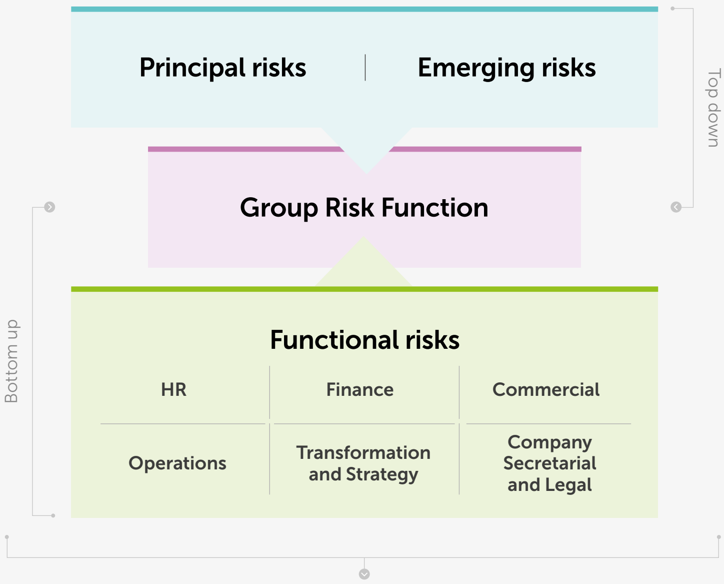
This cycle is underpinned by a detailed evaluation and understanding of the internal and external **risk context** to ensure focus across each stage of the risk management process, and is supported by ongoing **communication and consultation** to ensure that it incorporates the views and insights of key stakeholders across the business.

Risks and risk management continued

Risk process and methodology



Governance and assurance



Risk Oversight Committee

- Executive oversight of risk management activities.
- Monitors principal, emerging and functional risks.
- Directs risk mitigation activity in line with strategy and risk appetite.
- Fosters a risk-aware culture across the Group.

Audit and Risk Committee

- Provides oversight of risk exposures and risk management activities on behalf of the Board.
- Provides challenge to management on risk management activities.
- Advises the Board on risk strategy.
- Reviews and monitors effectiveness of risk management systems.

Board

- Accountable for review and monitoring of the effectiveness of risk management systems.
- Defines Group strategy and risk appetite.

The Group operates a combined top-down and bottom-up risk management framework to ensure that the risk priorities of our business leadership are defined and understood across Greencore, and that risks identified within functions are visible to our business leadership.

The ERM framework is overseen by the **Group Risk Function**, who provide the Group with risk management methodology, training, support, advice, and assurance over all aspects of its risk management systems.

Governance and assurance cont.

Principal risks, defined as those most likely to have a significant impact on Group-wide objectives, are identified by the Group Executive Team.

Functional risks are identified and tracked across a range of risk registers embedded within our core functions. These are risks relevant to functional responsibilities and objectives. This process is supported by risk champions and risk advisors within each function, who are responsible for guiding the risk identification and assessment processes, ensuring rigorous risk reviews take place, and providing regular reporting to the Group Risk Function.

Principal, emerging, and functional risks are reported to and reviewed by a quarterly Risk Oversight Committee (the 'ROC'), made up of the full Group Executive Team and Director Internal Audit and Risk. The remit of the ROC is to provide management oversight of the suitability and effectiveness of the Group's risk management systems, including the risk management policy, protocols, and governance.

Overall accountability for reviewing and monitoring the effectiveness of the Group's risk management systems remains with the Board, who also establishes the Group's strategy and risk appetite. The Board in part discharges these duties through delegation to the Audit and Risk Committee (the 'ARC'). The ARC is responsible for overseeing and advising the Board on the organisation's risk exposures, risk management strategy, and effectiveness of risk management systems.

Emerging risks

As part of our overall risk assessment process, the Group also captures and monitors emerging risks, defined as risks that have a high degree of uncertainty, with unclear but potentially far-reaching impacts.

The Group uses a diverse range of sources to gather insights on the risk landscape and performs horizon scanning, capturing relevant emerging risks and assessing their potential impacts.

Current emerging risk themes include:

- risks related to changes in consumer behaviour, which may impact the success of our product portfolio and category mix;
- risks related to the long-term impacts of climate change and extreme weather on our supply chain and operating environments; and
- risks related to the effects of disruptive technology, including artificial intelligence, on our commercial markets, operations, and workforce.

These emerging risks are monitored within the Group's broader ERM governance framework.

Our risk appetite

During FY23, the Group reviewed and refreshed our Statement of Risk Appetite, in order to provide improved direction on the amount or type of risk that can be accepted throughout the Group. This is designed to support informed decision-making, improve consistency across governance, and assist in prioritisation.

At Greencore, our risk appetite is shaped by our commitments to delivering profitable growth for our stakeholders, having long-term relevance for our customers, differentiating ourselves from our competitors with excellence in everything we do, producing great food with long-term sustainability, and placing our people at the core.

We understand that taking calculated risks is essential for growth, innovation, and the achievement of our long-term strategic objectives, but that to do so, we must make risk-informed decisions. Our preference is for reduced risk and uncertainty, but we acknowledge that some residual risk may be necessary and beneficial. We always strive to ensure that risks are managed prudently but are willing to accept risk where it can be carefully managed, measured, and monitored. Therefore, we may pursue options giving rise to risk if the potential rewards outweigh the potential downsides.

There are some areas where we are willing to take more risk than others and we have defined risk appetite statements accordingly.

Our risk appetite is dynamic and will be updated as necessary to reflect any significant changes in the context in which we operate.

Risks and risk management continued
Principal risks and uncertainties

In FY23, a full principal risks assessment exercise was conducted, resulting in a refined and updated principal risk profile which is detailed below.

The Group's risks and uncertainties continue to be influenced by its external context and operating environment.

Inflationary pressure and price volatility persists across the food industry and affects our cost base. The Group remains focused on inflation recovery and we have continued to successfully work with customers and supply partners to mitigate the ongoing impacts. In addition, the ongoing cost of living crisis and associated industrial action across multiple sectors is impacting consumer spending habits, whilst supply risks are further influenced by climate/weather related disruption and geopolitical instability.

The Group monitors such factors closely and is confident that our key categories remain resilient and that our robust, agile commercial and operational arrangements enable an effective response to a dynamic risk environment.

Risk movement

Risk increased | Risk unchanged | Risk decreased

Strategic risks

Transforming our business

The Group continues to pursue an ambitious change programme to address the challenges we face and to build a better business for customers, employees, and shareholders. Doing so requires focus and engagement across a broad stakeholder group, strong leadership, effective resourcing, investment, and governance. Failing to deliver the aims of our transformation could adversely impact the long-term performance of the Group.

Risk movement: Risk decreased

Changes in FY23

- We have continued to embed the organisational changes introduced by our Better Greencore transformation programme, establishing a functional, customer-centric operating model.
- We have implemented further reductions in the size of our indirect colleague base, with associated fixed cost savings and successfully delivered efficiency and value creation initiatives across commercial, operational and other fixed costs.
- Clear Operational Excellence and Technology Roadmaps for future strategic transformation have been developed.
- As we now move towards defining a new long-term vision and strategy, there will remain risk related to the effective delivery of the ongoing strategic change required.

Mitigations and controls

- The Group Executive Team have clear ownership of transformation activities, with clear Executive Team sponsors for each pillar in place.
- Weekly Transformation Pillar Steering Committees and Group Executive reviews take place as needed.
- Transformation governance and oversight is provided by our Chief Strategy and Transformation Officer.
- A communication plan is in place from our Chief Executive Officer ('CEO') down with engagement across the entire business to ensure alignment around goals, shared purpose, and visibility of progress and benefits.
- Regular tracking of financial benefits to ensure progress is maintained.

Sustainability

The Group's *Better Future Plan*, which provides a roadmap for our contribution to transforming the food system to have a positive impact on people and planet, is a key part of our strategy and important to our stakeholders. Successful delivery of these commitments will need to involve new ways of thinking and working commercially and operationally, a significant investment in resources and the prioritisation of these ambitions. Failing to deliver on our commitments could impact the future success of the Group and cause reputational damage.

Risk movement: Risk unchanged

Changes in FY23

- A Plan Ownership Model, seen as key to unlocking action, has been established with clear business understanding and accountability and high levels of engagement at all levels.
- This has enabled us to progress the development of delivery roadmaps, several of which are now complete for priority areas.
- We have committed significant time and resources to upskilling, leading to more capable sustainability leadership and informed decision-making.
- We have enhanced governance, with increased Board oversight introduced through a dedicated Sustainability Committee, and a refreshed Sustainability Oversight Committee.
- A tightening regulatory environment (particularly regarding reporting) and increased focus and scrutiny of sustainability agendas from banks and insurers, is increasing the priority, risk, and focus across our entire *Better Future Plan*. A Group Transparency Roadmap is being developed which will provide a clear plan for disclosure, regulatory, and reporting requirements for the next two years.

Mitigations and controls

- A clear Sustainability Strategy is in place through the Greencore *Better Future Plan*, consisting of three interlocking pillars: Sourcing with Integrity; Making with Care; and Feeding with Pride.
- Comprehensive governance programme in place, along with detailed and regular monitoring of a wide array of performance metrics. This includes a Sustainability Oversight Committee, regular reviews by the Group Executive Team, and a Sustainability Committee of the Board.
- Clear ownership and accountability structure across the business including delivery plan ownership and Group Executive Team sponsorship.
- Science-based targets established and approved by Science Based Target initiative.
- Clear delivery roadmaps have been produced for priority areas and are under development for all areas.

Risk movement

Risk increased Risk unchanged Risk decreased

Financial risks

Management of costs

Inflationary pressure together with any inefficiencies in operational processes or gaps in control systems may lead to an unsustainable growth in overheads costs and negatively impact our financial performance.

Changes in FY23

- FY23 saw the successful delivery of a significant cost reduction programme, Better Greencore, which is a change programme to drive efficiency and profit improvement that commenced in FY22.
- Improved standardisation and granularity in reporting has been implemented, allowing for increased oversight and monitoring.

Mitigations and controls

- Comprehensive expenditure controls are in place including defined purchase-to-pay processes, authority levels, segregation of duties, and rigorous monitoring and oversight.
- Additional controls and approval processes in relation to headcount cost.
- Detailed tracking and monitoring of inflationary pressures takes place through budget processes and ongoing monitoring and reporting.
- Defined commercial and operational targets tracked weekly and monthly.

Demand shocks

Significant external events, such as pandemic, war, or natural disaster, could result in sudden and significant reductions in customer and consumer demand, which could have a material impact on our financial performance.

Changes in FY23

- The business is recovering well from the effects of the COVID-19 pandemic and continues to have inherent commercial and operational agility to respond effectively to external events.
- We have embarked on an exercise to augment existing business continuity arrangements with a formalised Group Crisis Management framework, to be developed and tested throughout FY24.

Mitigations and controls

- The Group has the commercial agility to quickly respond to changing customer needs and to rationalise product category, range, and mix.
- Close working relationships with our customers and supply chains enable effective cooperation and collaboration in times of disruption.
- A dispersed, diverse, broad national manufacturing network provides agility to rationalise and move production if required.
- We have flexibility in our labour model enabling us to respond to events as required.

Risks and risk management continued
Principal risks and uncertainties continued

Risk movement

Risk increased · Risk unchanged · Risk decreased

People risks

High reliance on labour

We are reliant on high volumes of labour. An uncertain political, economic and social context, alongside wage inflation pressures and the fast-paced and dynamic labour needs of the Group, could increase the costs of labour in unsustainable ways and impact labour relations. This could have operational, commercial, and financial impacts across the Group.

Risk movement: Risk increased

Changes in FY23

- An increase in industrial action across many sectors nationally, together with cost of living and wage demand pressures, has increased the risk of labour disputes and industrial action at Greencore.
- We maintain ongoing dialogue with trade unions on pay negotiations and actively prepare to limit the impacts of any potential industrial action.
- The development of our Operational Excellence transformation strategy includes workstreams related to optimum operating models.
- We are increasing in-house expertise in relation to technology and automation.

Mitigations and controls

- We have flexibility in our labour model through proportional use of agency workers to ensure agility and responsiveness to front-line labour needs.
- Mature labour forecasting processes and systems enable effective planning of labour needs.
- Increasing automation in production processes reduces our reliance on labour requirements.
- Development and training frameworks assist in retention and productivity.
- Regular wage benchmarking is in place to ensure that colleagues are paid fairly.
- We maintain proactive and cooperative relationships with trade unions.
- A dispersed, diverse, broad national manufacturing network provides agility to rationalise and move production if required.

Recruitment and retention of key personnel

The ongoing success of the Group is dependent on attracting and retaining high quality senior management, with the right skills, experience, commercial acumen and sector knowledge to effectively implement our strategy. Unacceptably high loss of key personnel or challenges in recruitment into key positions could impact our performance.

Risk movement: Risk unchanged

Changes in FY23

- Employee attrition across our senior management community was higher than optimum levels in FY23.
- Succession planning and other arrangements have limited the impact of this colleague turnover, but we are committed to ensuring that Greencore is and continues to be an attractive and rewarding place to work.
- The Group's variable compensation schemes are anticipated to contribute to improved retention.
- This year's Pulse Engagement Survey showed further improvements in employee engagement with results favourable to external benchmarks.

Mitigations and controls

- Regular salary benchmarking as part of our recently revised reward framework ensures colleagues are paid fairly.
- Multiple variable compensation incentive schemes including ShareSave, annual bonuses, Performance Share Plan, and restricted share awards, are in place to further incentivise retention.
- Comprehensive talent review and talent management processes are embedded throughout the business.
- Mature succession planning structure is in place for senior roles.
- Senior management are subject to contractual provisions including non-compete and non-solicitation clauses.
- We have well-established colleague engagement and recognition initiatives including our Shine Awards, shared purpose and strategy, community events, and a comprehensive learning and development offer.

Risk movement

Risk increased Risk unchanged Risk decreased

Commercial risks

Competitor activity

The Group operates in highly competitive markets. Significant product innovations, technical advances and/or the intensification of price competition by competitors, both direct manufacturing competitors and competitors of our customers, could adversely affect the Group's results.

Changes in FY23

- The Group continues to monitor trends within the sector and invest in competitor analysis and insights to inform decision-making and commercial propositions.
- We have increased the level of quantitative data in the business to ensure faster fact-based reporting and action planning.
- We have improved market share in our core sandwich business year-on-year but we have seen declines in some of our other segments driven by branded entrants and strategic business disposal decisions.
- An increasing cost/price focused competitive environment in FY23 has driven choices around business disposal to protect and drive profitable volumes.
- We review our portfolio on an ongoing basis, and in FY23 have exited some sales arrangements and gained others, continuing to grow our core business through the launch of new options and propositions.
- We have also developed clear portfolio strategies that will allow us to drive our performance and growth over the next three years, and lead the market as innovators in the face of agile competition.
- This will also enable us to be successful in developing products to meet and exploit emerging consumer trends.

Mitigations and controls

- Extensive nationwide production and distribution network provides the Group with a market-leading capacity and capability.
- Close cooperative relationships, together with investment in innovation and new product development, enables us to work together with our customers on our product portfolio to meet customer and consumer needs.
- Agile production capabilities and a broad product range enables the Group to respond effectively and quickly to changing customer needs.
- Comprehensive controls are in place around quality of product.
- A broad and balanced portfolio of customers ensures that reliance on any single relationship is minimised.

Operational risks

IT systems

We rely heavily on information technology to support the business, which requires continuous investment and innovation. Failure to modernise and standardise our IT estate may lead to inefficient operations, ineffective decision making, and an inability to build and maintain competitive advantage, impacting our performance.

Changes in FY23

- The Group has identified significant opportunities to improve organisational efficiency through enhanced technology and we are building a comprehensive roadmap of technology improvements to realise these opportunities.
- This roadmap will make business easier for Greencore, streamlining, standardising, and simplifying core processes.
- In parallel, progress continues against opportunities identified as part of our Better Greencore programme, with significant steps made to standardise core systems, upgrade and consolidate onto our core Enterprise Resource Planning platform, and improve our human resources and logistics capabilities.

Mitigations and controls

- Existing IT systems enable us to successfully deliver our 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.
- A rolling programme of investment in our capability to maintain currency of IT services, ensures that our systems continue to support the business in achieving our objectives.
- A dedicated IT Operations Improvement team is in place, focused on continual improvement of the IT estate.
- IT risk management processes are well-established.
- Comprehensive and formal business partnering is in place to identify priorities, evaluate gaps, and plan remediation roadmaps.
- We have formal IT Disaster Recovery processes.

Risks and risk management continued
Principal risks and uncertainties continued

Risk movement

Risk increased | Risk unchanged | Risk decreased

Operational risks continued

Cyber security

The cyber threat landscape is complex and constantly evolving. In common with most large organisations, we are exposed to the risk of a cyber-attack that could threaten the availability and integrity of our systems, and the confidentiality of data. Such attacks could cause significant business disruption and cause financial and reputational damage to the Group.

Changes in FY23

- We take seriously the cyber security risk to our business operations and data, and we continue to invest significantly in our cyber security defences, both technical and through awareness programmes for all colleagues.
- Controls and protections have been enhanced across multiple areas of cyber security threat, including best-in-class tooling to protect against phishing and unauthorised access to IT assets.
- A rolling programme of investment in our capability to maintain currency of IT services is in place, ensuring that our systems remain fully supportable.

Mitigations and controls

- Our dedicated IT Security team works in partnership with industry-leading cyber security partners to form a 24 x 7 x 365 Security Operations Centre, which incorporates 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 are in place.
- Mandatory security awareness training and assessments required for all users.

Environmental impact

The Group has significant manufacturing operations and an obligation to minimise the impact of these activities on the environment. Failure to sufficiently monitor and manage operational activities to minimise the environmental impacts could lead to business disruption, and cause financial and reputational damage to the Group.

Changes in FY23

- We continue to treat the management and mitigation of our environmental impact as a priority.
- In-house waste monitoring policies have been revised and enhanced, with improvements to our systems for monitoring, managing, and escalating the results of testing.
- Waste management infrastructure improvements have been delivered across a range of production sites, and are in progress in other parts of our production network.

Mitigations and controls

- There are defined accountabilities with named responsible subsidiary company directors on all environmental permits and Regulation 61 submissions.
- A dedicated infrastructure is in place in our production sites for managing environmental impacts, including effluent treatment plants and dissolved air flotation plants.
- Comprehensive in-house and third-party waste product monitoring ensures ongoing assurance.

Operational Excellence and Health & Safety

The Group's strategy and future success is underpinned by Operational Excellence. Any failure to deliver this across all operational and supporting activities could impede delivery of our strategic ambitions and impact future performance. Part of this is to ensure that Operational Excellence is delivered in a way that maintains our robust safety and risk systems, as ensuring the health and safety of our colleagues is of paramount importance at Greencore. Safety failures could result in harm to individuals as well as reputational and potential financial damage.

Changes in FY23

- We recognise Operational Excellence as a key enabler for our future strategic success and are embarking on the development of an enterprise-wide world class operation management model.
- Business improvement opportunity and risk have been evaluated in depth.
- New leadership in Operational Excellence is in place, and the design of the infrastructure and resource required to drive further progress has been completed.

Mitigations and controls

- Manufacturing Excellence is delivered through standardised processes, tools, and techniques to optimise labour usage and waste product.
- Bespoke technology has been implemented to inform real-time decision-making within production operations to support performance target excellence.
- Broad business-intelligence is embedded as part of operational delivery.
- Comprehensive health and safety processes, procedures, and training are in place.
- Rigorous monitoring protocols including annual health and safety audits and operational physical inspections provide assurance of ongoing control and compliance.
- Competent health and safety persons are in place at all sites.
- Site risk assessment processes are in place across a comprehensive range of health and safety hazards and controls.

Risk movement

Risk increased   Risk unchanged   Risk decreased

Operational risks continued

Product contamination

We produce a large volume of food annually and there are risks of product contamination at a Greencore manufacturing facility or one of our approved suppliers, through either accidental or deliberate means. This may lead to potential harm to consumers and result in potentially significant financial, reputational, and/or legal impacts on the Group. In addition, product recalls and withdrawals would require significant resource investment.

Changes in FY23

- We continue to maintain industry-leading food safety and traceability processes and procedures and we are proud of our strong track record of consistent highest level audit outcomes which have continued in FY23.
- An internal audit of the Group's Technical function and food safety monitoring processes was conducted as part of FY23's Internal Audit plan, providing assurance that risks are being well managed.
- A new food quality and safety training package has been deployed to further enhance product safety culture.

Mitigations and controls

- Best practice site quality management systems are in place with industry standard policies, procedures, and control environments.
- A substantial training regime ensures ongoing excellence in colleague awareness.
- Comprehensive assurance is provided by extensive internal and external independent monitoring and audits, including unannounced regulator, third-party consultant, and customer site visits.
- Rigorous supply chain quality assurance is in place, including independent and in-house audits.
- We have a robust allergen-management programme and product stringent testing regime.
- Comprehensive and documented product recall procedures are in place, including mock recall exercises and crisis plans.
- Formal horizon scanning process established to generate insight on industry trends, threat/supply issue intelligence, and to ascertain requirement for control or testing changes.

Legal and compliance

Our activities are subject to a complex and constantly evolving regulatory landscape, particularly in the areas of food safety and environmental protection. Failure to comply with such regulations may lead to serious financial, reputational and/or legal risk.

Changes in FY23

- We remain committed to complying with all industry-specific and wider regulatory requirements and upholding the highest standards of corporate governance.
- Progress is being made on augmenting existing strong specialist compliance functions with a new Group Compliance Framework to promote alignment in processes, consistency in approach to compliance governance, and a more holistic assurance methodology.

Mitigations and controls

- 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.
- Comprehensive legal, regulatory, and statutory compliance control and management functions are in place.
- Broad assurance and monitoring is provided across a range of regulatory compliance areas, including assurance received from third-party independent, regulator, and customer inspections and audits.
- Expert second-line-of-defence functions are being established in all key compliance areas, with external networks sharing information and best practice.
- We have access to industry and legal literature and trade bodies to keep up to date with the changing regulatory landscape.

Risks and risk management continued
Going concern and viability statement

Going concern
The Directors, after making enquiries, have a reasonable expectation that the Group has adequate resources to continue operating as a going concern for the foreseeable future.

In the current period, the Group continued to operate in a complex trading environment linked to ongoing challenges with inflation.

Accordingly, the Directors have considered a number of scenarios for the next 18 months from the commencement of FY24. These scenarios consider the potential impact of inflation on consumer spending, along with consideration of under recovery of targets set out under the Group's commercial and operational initiatives. The impact on revenue, profit and cashflow are modelled, including the consequential impact on working capital.

The scenarios assumed by the Group are as follows:
- a base case assuming internally approved budget and strategic plans, which includes amounts for near term climate change related expenditure;
- a downside scenario which assesses the potential impact of inflation on consumer spending and corresponding impact on volume, along with under recovery of targets set out under the Group's commercial and operational initiatives; and
- a severe downside scenario which includes further potential impacts on volume due to the inflationary environment and further under recovery of targets set out under the Group's commercial and operational initiatives.

In each scenario, the Group would employ mitigants within its control, which would include a reduction in non-business critical capital projects and other discretionary cash flow items.

While the Group is in a net current liability position of £193.9m (2022: £128.7m) at 29 September 2023, the Group has retained financial strength and flexibility, with cash and undrawn committed bank facilities of £327.8m at 29 September 2023 (September 2022: £398.0m).

Subsequent to the year end, the Group has refinanced its debt facilities with a new five year £350m sustainability linked revolving credit facility ('RCF'), maturing in November 2028 with the option to extend for up to a further two years. This new facility replaces the existing £340m RCF that was due to mature in January 2026. A £45m term loan due to mature in June 2024 was also repaid in full as part of this debt restructuring.

The Group is satisfied that there is sufficient headroom in the financial covenants under facilities for each scenario.

Based on these scenarios and the resources available to the Group, the Directors believe the Group has sufficient liquidity to manage through a range of different cashflow scenarios over the next 18 months from the year end date. Accordingly, the Directors adopt the going concern basis in preparing these Group Financial Statements.

Viability statement disclosure
In line with the Code Provision 31, the Directors have carried out a rigorous review of the prospects of the current business and its ability to meet its liabilities as they fall due over the medium-term. In undertaking this review, the Directors concluded that a three-year timeframe continues to be an appropriate period for this assessment given that this is the key period of focus within the Group's strategic planning process and is a typical period for visibility of commercial arrangements with the Group's customers. The objectives of the annual strategic planning process are to consider the key strategic choices facing the Group and to build a consolidated financial model with various scenarios taking into account the principal risks facing the Group which may threaten the Group's solvency, liquidity, cash flow, future performance and business model.

Assumptions are built for the income statement with a flow through to the balance sheet and cash flow. These are rigorously tested by management and by the Directors. Sensitivity analysis is applied to reflect the potential impact of some of the principal strategic and commercial risks of the Group as described on pages 52 to 57. These risks could affect the level of sales, profitability and cash generation of the Group and the amount of capital required to deliver them. The Group has reflected the new refinancing that was obtained by the Group in November 2023 as part of the analysis. Based on the results of this analysis, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three year period of their assessment.

Group Executive Team

LEADING BY EXAMPLE TO DRIVE EXCELLENCE

Dalton Philips
Chief Executive Officer

Dalton joined as Chief Executive Officer in September 2022 and has overall responsibility for running the business, driving shareholder value and developing strong relationships with stakeholders. Dalton's roles, prior to joining Greencore include chief executive of daa plc, the global airports and travel retail group, chief executive of Wm Morrison plc, then a FTSE 100 company and the UK's fourth largest supermarket chain, chief executive of luxury goods retailer Brown Thomas Group, and chief operating officer of Canadian retailer Loblaw Companies Limited. Dalton also served as a senior advisor to the Boston Consulting Group.

He started his career with Jardine Matheson followed by Walmart.

Andy Parton
Chief Commercial Officer

Andy is Chief Commercial Officer, responsible for setting and delivering the commercial strategy and agenda. The role covers marketing, insights and category management, product development and management, sales and procurement.

Prior to this Andy was Business Director for our Food to Go business. Andy joined Greencore in 2014 having previously held senior commercial positions in Aldi and PepsiCo.

Guy Dullage
Chief People Officer

Guy is Chief People Officer and is responsible for human resources across the Group. Prior to this, Guy served as HR Director for the Prepared Meals business.

Guy joined Greencore in 2015. Previously, he held a variety of senior HR roles in the UK and Europe, with the majority of his experience over this time within the manufacturing sector. Guy has also held a number of directorships, board and pension trustee roles during his career. Guy became a fellow of the CIPD in 2014.

Nigel Smith
Chief Strategy and Transformation Officer

Nigel is Chief Strategy and Transformation Officer, with responsibility for development and integration of Group strategy and our broader change agenda.

He joined Greencore in 2017, and has held a variety of roles supporting the strategic development of the Group, before taking on executive leadership of strategy since 2021. Prior to joining Greencore, Nigel worked as a strategy consultant with McKinsey & Company, and in multiple public policy positions within European Union institutions.

Nigel is an alum of Trinity College Dublin, Sciences-Po in Paris and the College d'Europe in Bruges. He has also completed Executive Education at the UCD Smurfit School.

Lee Finney
Chief Operating Officer

Lee joined Greencore in October 2022 as Chief Operating Officer. He is the executive accountable for technology, sustainability, and the end-to-end supply chain.

He has extensive experience in transforming the operational performance of global businesses, having held vice president, chief transformation officer and chief supply officer roles in the UK, Europe, North America and Australasia.

Lee has an MBA, was awarded the Advanced Management Program, and has completed executive programmes at MIT and Stanford, USA.

Damien Moynagh
Group General Counsel and Company Secretary

Damien joined Greencore in November 2022 and is responsible for leading Greencore's Legal and Company Secretariat functions.

With over 20 years' experience as a corporate/M&A lawyer and senior executive in Europe, the US and Asia, Damien was most recently general counsel and company secretary of FTSE-listed UDG Healthcare plc, responsible for its legal, corporate secretarial, risk, compliance, quality and sustainability functions. Prior to this, Damien practiced at Freshfields Bruckhaus Deringer and Maples and Calder.

Educated at University College Dublin and Université Toulouse Capitole, he has also completed executive education programmes at Cambridge University and Columbia University.

Jonathan Solesbury
Interim Chief Financial Officer

Jonathan was appointed as Interim Chief Financial Officer with effect from 15 June 2023. The Chief Financial Officer is primarily responsible for managing the financial affairs of the Company and optimising its financial performance. The Chief Financial Officer is also responsible for Internal Audit and risk management as well as the Company's tax affairs.

Jonathan has extensive experience in senior finance roles in both the food and beverage industries, including one year as chief financial officer at ARYZTA, three years as group chief financial officer with C&C Group plc and 22 years with SABMiller plc.

Chair's introduction to corporate governance

DEVELOPING NEW WAYS OF WORKING

"My first year as Board Chair has been largely focused on the refreshment of the Board and its Committees, and developing new ways of working."

Compliance with the Code

The Directors present their report and Financial Statements for the year ended 29 September 2023. The Directors' Report (this 'Report') is contained on pages 60 to 113.

The 2018 UK Corporate Governance Code (the 'Code'), which is available on the Financial Reporting Council's website, www.frc.org.uk, continued to be the standard against which we measured ourselves in FY23. This letter explains how the Group has applied the principles and complied in full with the provisions of the Code during the year.

Corporate governance in FY23

My first year as Board Chair has been largely focused on the refreshment of the Board and its Committees and developing new ways of working.

FY23 has seen substantial change to Board membership. Dalton Philips was appointed by the Board as Chief Executive Officer ('CEO') at the end of FY22. In November 2022 Damien Moynagh was appointed by the Board as Group General Counsel and Company Secretary. I was appointed to the Board in December 2022 and became Board Chair in January 2023 when Gary Kennedy, the Group's esteemed past Chair, retired from the Board.

Helen Weir and Paul Drechsler stepped down as Non-Executive Directors as of December 2022 and January 2023, respectively.

We built our Board strength with the appointments of Alastair Murray and Harshitkumar (Hetal) Shah, in February 2023 and April 2023 respectively, both of whom have strong financial and food industry experience.

In September 2023, the Group announced that Catherine Gubbins had been appointed to the role of Executive Director and Chief Financial Officer ('CFO') and would take up her role in early 2024, replacing Emma Hynes who stepped down from the Board as Executive Director and CFO in May 2023.

John Amaechi and Sly Bailey have advised the Board that they will not be seeking re-election at the 2024 Annual General Meeting. This is discussed further in the Report of the Nomination and Governance Committee.

The Board and Committee evaluation for FY23 showed that good progress had been made following implementation of outcomes from the FY21 and FY22 evaluations. Further details on the effectiveness review are on page 77.

Our priority as a Board was to ensure open and transparent communications with Dalton, in his first year as CEO, and the Group Executive Team, on Board expectations. In addition to this, the Board agreed on new ways of working by streamlining corporate governance initiatives to promote more effective decision-making.

Recognising the importance of driving sustainable business practices, the Board formed a Sustainability Committee to drive this agenda forward. The membership of other Board Committees was also refreshed.

The work of our Workforce Engagement Director, Sly Bailey, continued during the year. Information on how Sly connected with our people during the year can be found on pages 72 and 73.

Throughout my first year as Chair I have endeavoured to promote continuing Board engagement with our people through Group site visits, allowing valuable insight into the day-to-day business which helps shape discussions in the boardroom.

Priorities for FY24

The Board incorporates the Group's purpose '*Making every day taste better*' in its decision-making process as it continues to strive for better. Our objective remains unchanged – it is to continue to deliver value and to create a positive and sustainable impact for all our stakeholders.

The Board is focused on medium to long-term strategic priorities and remains confident that the Group has stable foundations to create value for all stakeholder groups going into FY24 and beyond.

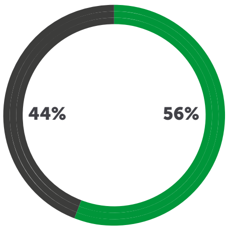
We will also maintain focus on colleague sentiment and culture, as well as our engagement with other stakeholders.

I would like to thank my Board colleagues, past and present, for their ongoing commitment and support since joining the Board and during my first year as Board Chair.

Leslie Van de Walle
Board Chair
27 November 2023

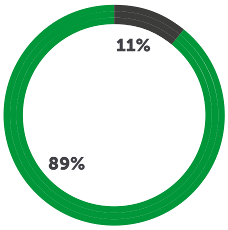
Board diversity as at 29 September 2023

By gender



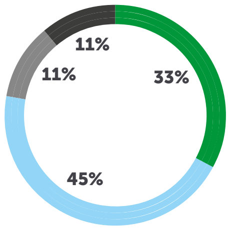
● Female ● Male

By role



● Executive ● Non-Executive

By tenure



● <1 year ● 1-5 years ● 5-10 years ● >10 years

Number of scheduled meetings in FY23

18

Scheduled Board meeting attendance in FY23

96%

Number of new Directors appointed in FY23

3

Independence of the Board excluding the Chair as at the end of FY23

88%

Read our Report of the Nomination and Governance Committee (on pages 78 to 81)

Directors and scheduled Board meeting attendance during FY23

Director	Number of scheduled Board meetings held	Board meetings attended
John Amaechi[1]	8	7
Sly Bailey	8	8
Linda Hickey	8	8
Anne O'Leary	8	8
Alastair Murray[2]	5	4
Dalton Philips	8	8
Helen Rose	8	8
Harshitkumar (Hetal) Shah[3]	4	4
Leslie Van de Walle[4]	7	7

Former Directors who served during FY23

Director	Scheduled Board meetings held	Scheduled Board meetings attended
Paul Drechsler[5]	2	2
Emma Hynes[6]	6	6
Gary Kennedy[7]	2	1
Helen Weir[8]	1	1

1. John Amaechi was unable to attend a meeting due to illness. Having read the papers, he communicated his views on the business of the meeting to the Chair.
2. Alastair Murray was appointed to the Board on 1 February 2023. Alastair was unable to attend a meeting due to prior business commitments. Having received the papers, he communicated his views on the business of the meeting to the Chair.
3. Hetal Shah was appointed to the Board on 1 April 2023.
4. Leslie Van de Walle joined the Board on 1 December 2022.
5. Paul Drechsler retired from the Board on 26 January 2023, following the conclusion of the 2023 Annual General Meeting.
6. Emma Hynes stepped down from the Board on 31 May 2023.
7. Gary Kennedy was unable to attend one meeting due to an illness. Gary retired from the Board on 26 January 2023, following the conclusion of the 2023 Annual General Meeting.
8. Helen Weir retired from the Board on 31 December 2022.

Compliance with the UK Corporate Governance Code

The Company applied the principles of the 2018 UK Corporate Governance Code (the 'Code') for the financial year ended 29 September 2023.

Available from www.frc.org.uk

The Board are pleased to report that the Group complied with the provisions of the Code for the financial year ended 29 September 2023.

Further information on these governance matters can be found as follows:

Board leadership, culture and company purpose

See more on page 64

Division of responsibilities

See more on page 74

Composition, succession and evaluation

See more on page 76

Audit, risk and internal control

See more on page 82

Remuneration

See more on page 88

Board of Directors

OUR BOARD OF DIRECTORS

Leslie Van de Walle

Non-Executive Director
Board Chair (Aged 67)
Appointed as Non-Executive Director and Chair Designate on 1 December 2022. Leslie became Board Chair on 26 January 2023.

Leslie joined Greencore in December 2022 bringing a wealth of extensive leadership and non-executive and chair experience across multiple sectors. Leslie has a deep knowledge of the food industry having held previous positions at Danone, Cadbury Schweppes and United Biscuits, where he served as group chief executive officer.

Leslie has held multiple non-executive roles throughout his career including currently serving as the chair of the Robert Walters Group and chair of their nomination committee, having previously served as chair between 2012 and 2018. He has held various non-executive roles and was previously chair of Euromoney Institutional Investor plc and SIG plc, as well as deputy chair and a non-executive director and chair of the nomination committee at Crest Nicholson Holdings plc, a non-executive director of HSBC UK Bank plc and senior independent director and chair of the remuneration committee of DCC plc.

Committee membership: N

Dalton Philips

BA, MBA

Chief Executive Officer
(Aged 55)
Appointed as Chief Executive Officer with effect from 26 September 2022.

Dalton joined Greencore on 26 September 2022. Dalton started his career with Jardine Matheson followed by Walmart before moving into roles including chief executive of daa plc, the global airports and travel retail group, chief executive of Wm Morrison plc, then a FTSE 100 company and the UK's fourth largest supermarket chain, chief executive of luxury goods retailer Brown Thomas Group, and chief operating officer of Canadian retailer Loblaw Companies Limited. Dalton has also previously served as a senior advisor to the Boston Consulting Group.

Dalton is currently serving as a non-executive director of IBEC CLG.

Dalton has a BA from University College Dublin, an MBA from Harvard University, and an honorary Doctorate of Management from Bradford University.

John Amaechi

OBE, BSc

Non-Executive Director
(Aged 53)
Appointed as Non-Executive Director with effect from 1 February 2021.

John brings insight to Greencore having actively worked in inclusive leadership and building high-performing teams. John is a respected organisational psychologist, executive coach and is the founder and chief executive officer of APS Intelligence Ltd, a talent and leadership development firm. In addition, John is a leadership training partner with the National Health Service and is currently serving on the Lloyd's of London culture advisory group. John has previously been a member of the Inclusive Advisory Panel at Tesco, the Diversity and Inclusion Board at Sanofi and the Inclusive Leadership Board for KPMG UK.

John is a Chartered Scientist, a Chartered Fellow of the Chartered Institute of Personnel and Development, and a Fellow of the Royal Society for Public Health. John is currently a research fellow at the University of East London.

Committee membership: R S

Sly Bailey

Non-Executive Director
Senior Independent Director (Aged 61)
Appointed as Non-Executive Director with effect from 17 May 2013 and Senior Independent Director with effect from 14 December 2017.

Sly is an experienced executive having held several listed and private board roles including serving as a non-executive director of Ladbrokes plc and EMI plc, where she served as both senior independent director and chair of the remuneration committee. She has also served as a non-executive director and chair of the remuneration committee for the Press Association. Sly currently serves as a non-executive director of IPSX Group Limited where she is also chair of the remuneration committee and a member of the nomination committee. Sly previously served as chief executive officer for one of the UK's largest media companies, Trinity Mirror plc, for almost 10 years. She has also previously served as chief executive officer of IPC Media.

Sly's broad knowledge spanning a variety of sectors provides her with a deeper understanding of different markets and business circumstances underpinning her appointment as Senior Independent Director. Sly's strong interest in employee related matters has been invaluable in her role as Workforce Engagement Director.

Committee membership: N R S

Linda Hickey

BBS

Non-Executive Director
(Aged 61)
Appointed as Non-Executive Director with effect from 1 February 2021.

Linda brings extensive corporate experience and knowledge to the Board having spent her executive career in stockbroking and investment banking. Linda previously worked at NCB Stockbrokers and Merrill Lynch, before serving as head of corporate broking at Goodbody Stockbrokers for 15 years.

Linda is a non-executive director of Kingspan Group plc, a global leader in insulation and building envelope solutions, where she serves as senior independent director, worker relations director, chair of the remuneration committee and a member of the nominations committee. Linda is also a non-executive director of Cairn Homes plc where she is remuneration committee chair and a member of the audit and risk committee. She is also currently acting as vice chair of Quanta Capital's advisory board and has previously served as chair of the Irish Blood Transfusion Service.

Committee membership: A N R

Board Committees

- A Audit and Risk
- N Nomination and Governance
- R Remuneration
- S Sustainability
- ◯ Committee Chair

Alastair Murray
MA, MBA, FCMA

Non-Executive Director
(Aged 62)
Appointed as Non-Executive Director with effect from 1 February 2023.

Alastair joined Greencore in February 2023 and brings extensive food industry and financial experience having previously held the role of chief financial officer and director of Premier Foods plc until September 2019. Alastair is a chartered management accountant having financial, property, and IT experience across a number of listed companies including Premier Foods plc, Dairy Crest plc and The Body Shop International plc. In addition to the above Alastair has a proven track record in corporate strategy, restructuring and M&A. Alastair is a non-executive director and chairs the audit and risk committee of McBride plc, a British-based business manufacturing own brand household goods. Alastair is also serving as an independent member of the audit and risk committee for the Department for Education in England.

A N S

Anne O'Leary
CDir

Non-Executive Director
(Aged 56)
Appointed as Non-Executive Director with effect from 1 February 2021.

Anne brings extensive experience across a variety of sectors including digital integrations, data analytics, cultural change programmes, and strategic acquisitions and partnerships. Anne previously served as chief executive officer of Vodafone Ireland for nine years before joining Meta in her current role as vice president of the mid-market business division for the EMEA region. Prior to this she acted as managing director of BT Ireland.

Anne previously served as a non-executive director of Vodacom Group Ltd. She also served as chair of Goal Global and as president of the Dublin Chamber of Commerce. Anne is currently a board member of IBEC CLG, a business and employer association for organisations based in Ireland and Ludgate, an Irish non-profit enterprise facilitating job growth via digital technology and remote working hubs, and the Economic and Social Research Institute, an Irish research institute focusing on the areas of sustainable economic growth and social progress.

A R

Helen Rose
BSc, FCA

Non-Executive Director
(Aged 58)
Appointed as Non-Executive Director with effect from 11 April 2018.

Helen has significant operational, financial, risk and UK retail experience and previously held senior finance roles at Dixons, Forte, Safeway and Lloyds Banking Group over a 30-year executive career.

Helen brings significant change leadership and transformation experience gained from her roles as retail integration director at Lloyds Banking Group and as chief operating officer at TSB Banking Group plc. Helen has a probing focus on cyber security, risk matters, and internal controls. She is a qualified executive coach and mentor and understands the importance of building a diverse talent pipeline. Helen has an ongoing interest in sustainability, her leadership and appetite to drive the Group's agenda in this area has been integral to the establishment of the Sustainability Committee. Helen is deputy chair of Compton Varney and a member of their finance and audit committee.

Helen is a fellow of the Institute of Chartered Accountants in England and Wales, having trained with Coopers & Lybrand.

A N S

Harshitkumar (Hetal) Shah
BS, CIMA

Non-Executive Director
(Aged 51)
Appointed as Non-Executive Director with effect from 1 April 2023.

Hetal joined Greencore in April 2023. Hetal has a strong record as a senior finance professional with significant experience gained in large, international groups and has proven leadership credentials. Hetal has held several finance roles in both publicly listed and private organisations, including a 17-year career at Cadbury plc where he held finance director roles spanning the UK, US, Asia and Africa, and where he was also responsible for leading transformational projects across supply chain, finance, IT and strategy in various locations. Hetal is currently serving as the chief financial officer for Europe at Belron International, a portfolio company of Clayton, Dubilier & Rice. In addition to his financial experience, Hetal brings experience in corporate strategy and M&A and operational improvements.

A

Damien Moynagh
BCL, DEUE

Group General Counsel and Company Secretary
(Aged 46)
Appointed as Group General Counsel and Company Secretary with effect from 7 November 2022.

Damien brings over 20 years' experience as a corporate lawyer and senior executive across Europe, the US and Asia. Damien was responsible for the legal and corporate secretarial functions, as well as the risk, sustainability, quality and compliance functions, in his previous role as general counsel and company secretary of FTSE 250 listed UDG Healthcare plc. Prior to this, Damien acted as chief operating officer and general counsel at Sysnet Global Solutions (now Viking Cloud), a fast-growing global technology business.

Damien trained and practiced as a corporate/M&A lawyer with Freshfields Bruckhaus Deringer in their London, Tokyo and New York offices before moving to Maples and Calder's Dublin office and has extensive experience advising global clients on public and private large-scale multi-jurisdictional transactions. He has also completed executive education programmes most recently at Cambridge University (in sustainability management) and Columbia University (in leading strategic change).

Board leadership, culture and company purpose

Board leadership, culture, and company purpose

The Board is ultimately responsible to shareholders for the direction, management, performance and long-term sustainable success of the Company with key stakeholders in mind. It sets the Group's strategy and objectives and oversees and monitors internal controls, risk management, principal risks, governance and viability of the Company, ensuring that these are aligned to the Group's purpose and culture.

The strategy of the Group is set by the Board and is subject to an in-depth annual review. The Board is committed to the delivery of the Group's refreshed three horizon strategy: Horizon 1: stabilise the business, Horizon 2: rebuilding profitability and returns; and Horizon 3: developing our strong growth platform. Our strategy is set out on pages 18 to 21.

An overview of the key activities of the Board for FY23 is set out on pages 66 to 67.

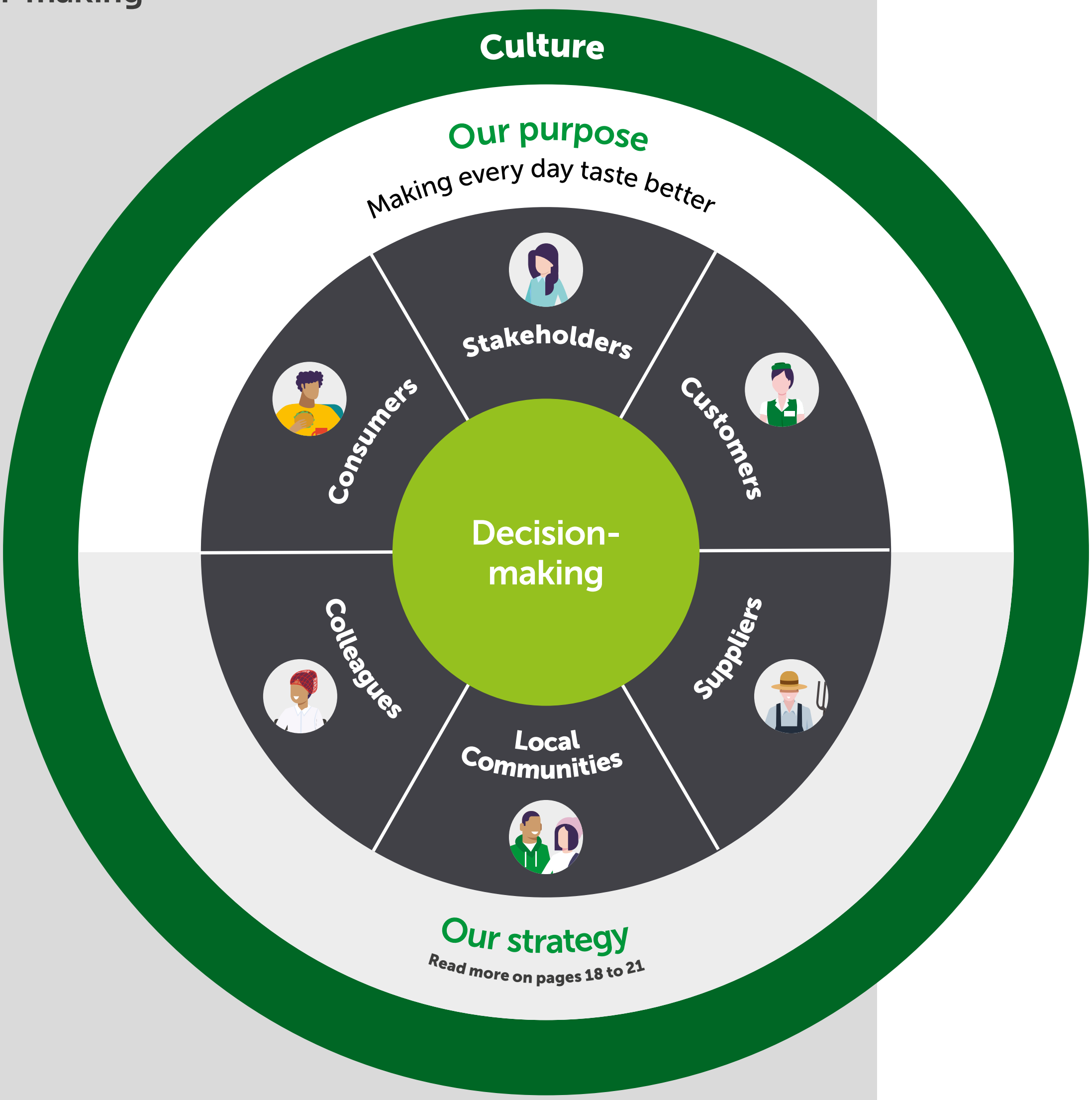
Company purpose – *Making every day taste better*

Our purpose sets a common goal throughout the Group to always strive for better. Every day, under the Board's leadership, our colleagues make a positive contribution to the lives of many people, including by providing convenient, nutritious and tasty food for our customers and consumers whilst sourcing responsibly. Embedding the Group's purpose through decision-making is a fundamental part of the Board's role. The Board understands this responsibility as it works to ensure that the Group has processes in place to look after our colleagues and care for our communities and the planet. Further information on the Group's purpose is set out on page 4 of the Strategic Report.

Our stakeholders

The Board is committed to actively engaging with and understanding the views of our different stakeholders and taking their views into consideration. The Board is mindful that our actions and decisions impact all of the Group's stakeholders. Read more on our engagement with stakeholders during FY23 on pages 68 to 73.

Decision-making



Governance structure

How we are governed

How the Board operates

The Directors are responsible for the proper stewardship of the Group's affairs, both on an individual and collective basis, and it is the Board alone that has the authority and responsibility for planning, directing and controlling the activities of the Group.

There is an agreed procedure for Directors to take independent legal advice at the expense of the Company in the furtherance of their duties as Directors of the Company. In addition, the Directors are indemnified for any legal action taken against them in respect of matters pertaining to their duties as Directors, subject always to the limitations under Irish company law.

Matters reserved to the Board

There is an agreed list of matters reserved for Board consideration which is formalised in a Matters Reserved to the Board Policy. This is reviewed annually and updated as appropriate. The Matters Reserved to the Board Policy was last reviewed in September 2023 and is available under the Investor Relations section of the Group's website, www.greencore.com.

Conflicts of interest

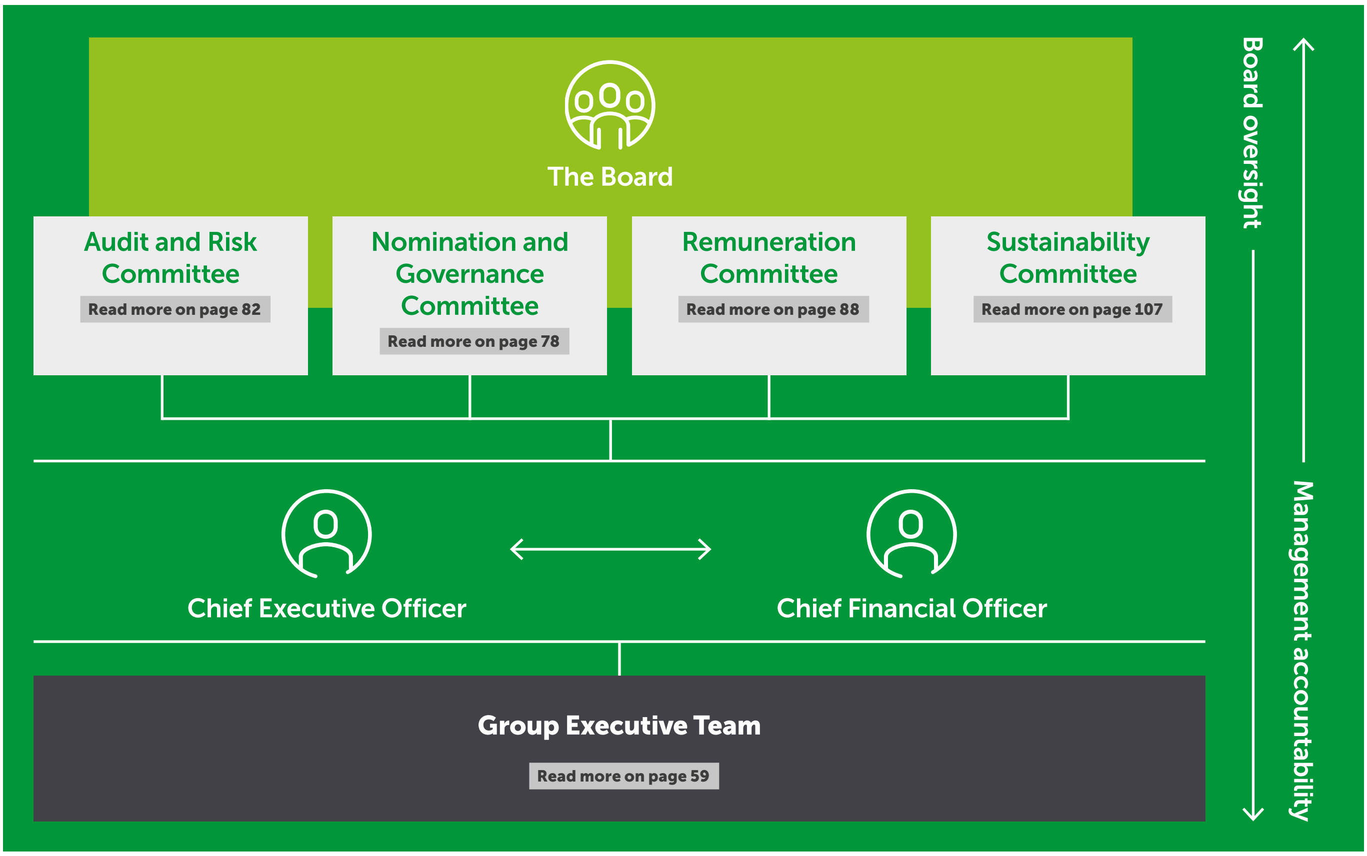
Under the Board's formal Conflicts of Interest Policy, all Directors have a duty to avoid a situation in which they have, or may have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company while serving on the Board. As such, at the beginning of every meeting all Directors are asked to declare any conflicts. Directors are not permitted to vote regarding their own conflicts, if any. The Conflicts of Interest Policy was last reviewed in September 2023.

Board Committees

The Board has four principal Board Committees to assist in the fulfilment of its responsibilities, providing dedicated focus on particular areas. Each Committee is responsible for reviewing and overseeing activities within its particular Terms of Reference. The Chair of each Committee provides a summary of the proceedings of any Committee meetings held since the previous Board meeting at each scheduled meeting. Details of the various Committees' members, together with their relevant biographies are set out on pages 62 and 63 of this Report. Further details on the role of the Committees and the work undertaken by each Committee in the year under review can be found on pages 78 to 107.

Sub-committees of the Board

During FY23, sub-committees of the Board were established in order to facilitate the streamlined consideration and approval of specific projects or items which may require additional or particular focus and attention outside of the scheduled meetings. Sub-committees of the Board comprise of a minimum of three directors. Four sub-committee meetings were held during FY23.



Board activities and engagement with stakeholders

WHAT THE BOARD DID IN FY23

Total number of meetings held in FY23

28

Includes scheduled and unscheduled Board, Board Committee and sub-committee meetings.

Site visits in FY23

4

At each Board meeting, the Chief Executive Officer ('CEO') provides a report on the overall performance of the business, while the Chief Financial Officer ('CFO') provides a report on the financial performance and updates are received from each of the Committee Chairs. Through scheduled business reports, the Board focuses on key commercial and operational updates. In addition to these matters and other recurring agenda items, specific areas of focus were considered by the Board in FY23 as are set out this section.

Strategy and corporate development

Strategy

Group strategy and corporate development was considered in detail during the year, including during a standalone Board strategy session in April.

Received regular updates on the progress of strategic development, reframing the future direction and, in particular, the progress of Horizon 1, and consideration of Horizons 2 and 3 for FY24 and beyond.

Supported the incorporation of sustainability into the strategic planning of the Group together with the newly-established Sustainability Committee.

Corporate development

Considered and approved the disposal of the edible oils business, Trilby Trading Limited, to K.T.C. (Edibles) Limited, a majority owned subsidiary of funds managed by Endless LLP, in light of the Group's current strategic focus on the UK convenience food market.

Operational and financial performance

Performance and trading

Reviewed and considered the CEO, CFO and Interim CFO reports at each Board meeting, together with commercial and operational updates from the Group Executive Team.

Reviewed and considered monthly reports, including management accounts and details of performance against budget.

Approved FY22 Full Year Results, FY23 Half Year Results and the FY23 Q1 and Q3 Trading Updates.

Budgeting, financing and capital management

Discussed, reviewed and approved the Group's budget presentation for FY24. Considered strategic objectives and implications on long-term performance and future capital investment and returns.

Following a review of the Group's financing structure and requirements, approved terms of new financing arrangements to replace existing facilities and extend the tenor of the Group's overall funding position.

Approved £35m in aggregate in share buyback programmes (ongoing) to complete the £50m of value return programme which was announced in May 2022.

Board Committees

- A Audit and Risk
- R Remuneration
- N Nomination and Governance
- S Sustainability

During FY23, a period of transition, the Board focused on supporting the Group Executive Team in realigning commercial and operational imperatives, resetting the Group's governance structures and paving the way for refreshed strategic priorities.

In ensuring that the Board agenda meets the needs of the business, each Board meeting agenda is agreed in advance by the Chair, the CEO and the Group General Counsel and Company Secretary.

Governance and legal

Board succession and Committee composition

Supported the onboarding of Leslie Van de Walle as the new Chair of the Board, replacing Gary Kennedy.

Approving the appointments of Alastair Murray and Harshitkumar (Hetal) Shah as Non-Executive Directors and Catherine Gubbins as Executive Director and CFO.

Reviewed and restructured the Committees against good corporate governance practices and the current and future needs of the Group, including establishing a new Sustainability Committee.

Board evaluation and operation

Oversaw internally-facilitated Board and Committee evaluations and the implementation of actions from previous evaluation processes.

Considered evaluators for the planned FY24 externally-facilitated Board review.

Legal and regulatory

Received reports on and discussed regulatory developments, such as proposed changes to the UK Corporate Governance Code.

Received reports from each of the Committee Chairs and the Workforce Engagement Director on their activities, receiving recommendations for approval, as appropriate.

Reviewed and approved the FY22 Annual Report and Financial Statements, FY22 Full Year Results and the FY23 Half Year Results announcements.

Reviewed and approved various Group policies including, Tax Strategy and Policy, Treasury Policy, and Code of Ethics and Business Conduct.

Risk management

Received updates from the Risk Oversight Committee and considered functional risks, the Group's principal risks and uncertainties and emerging risks.

Considered Group risk management and approved the Group's Statement of Risk Appetite.

Received regular updates and considered certain risk areas including cybersecurity, IT, technical/food safety and operational safety, health and environment.

Considered and approved the Group's viability statement and considered the effectiveness of internal controls and the risk management system.

Stakeholder engagement

Shareholders

Held an in-person Annual General Meeting in the Aviva Stadium in Dublin, Ireland on 26 January 2023.

Following his appointment, the Chair connected with the Group's largest shareholders, and updated the Board following meetings with a number of these.

Received updates from the CEO and the Investor Relations team following meetings with the Group's shareholders following release of results, with the Board receiving updates from these meetings in addition to reports and feedback from brokers and analysts.

Customers and suppliers

Received regular updates on business opportunities with new and existing customers.

Reviewed updates and considered supplier relationships as part of the Group's strategy and operational discussions.

Colleagues

Reviewed employee engagement results, such as results from our People at the Core survey which took place in October 2022 and our FY23 Pulse Engagement Survey.

Represented by the Board's Workforce Engagement Director, meetings were held with members of the workforce, after which the Board received updates on findings and recommendations.

Approved the 2023 Remuneration Policy and received updates on the remuneration framework applicable to the wider workforce.

Engaged with members of management and the wider workforce, during Board and Committee meetings and during site visits, getting the opportunity to see talent from across the Group.

Local communities

Supported the Group's involvement in initiatives supporting the local communities in which we operate.

Board activities and engagement with stakeholders continued

ENGAGING WITH OUR STAKEHOLDERS

Our purpose-led stakeholder engagement

For the Group, strategic engagement creates trusted relationships with our key stakeholders and enables the Board to understand their needs and priorities in order to deliver value and build a better, more resilient and sustainable business.

The Board is aware that the Group'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.

Feedback from all engagement activities is regularly considered by the Board as part of its decision-making process. Effective stakeholder engagement helps us better understand the impact of our decisions on all our stakeholders as well as their needs and concerns.

The Board is also aware that situations will exist where not every stakeholder interest can be addressed in full, however stakeholder regard continues to the greatest extent possible in decision-making at every level.

The Board's approach to stakeholder engagement and some key decisions made during FY23 following those engagements, are set out on pages 69 to 71. To give greater understanding to this, we have provided clear cross-referencing to where more detailed information can be found in this Annual Report. Shareholders and other 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.

More information

- Our 2023 Sustainability Report sets out how our purpose and Sustainability Strategy are interlinked with stakeholders in mind and is available on www.greencore.com. Further information on our Sustainability Strategy can be found on pages 22 to 39 of this Annual Report.
- The Group's Code of Ethics and Business Conduct sets out our fundamental principles and values directly applicable to our stakeholders. The Code of Ethics and Business Conduct is available on www.greencore.com.

Our stakeholders

Shareholders

Customers

Suppliers

Consumers

Colleagues

Local communities

Shareholders

Why engage with our shareholders?

- As owners of our business, engagement with shareholders helps us understand their expectations as regards key areas of interest.
- Key areas of interest include our financial and operational performance, our strategy for sustainable growth, capital allocation and corporate governance.

How we engage

- In addition to regular communication channels (e.g., website, social media channels) our Group Executive Team and Investor Relations team meet regularly with equity investors and analysts.
- Attendance at our Annual General Meeting 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 and, following his appointment this year, our Chair contacted a number of our largest shareholders.
- Our Chair engaged with many of our shareholders in person at the 2023 AGM as well as six of our largest shareholders throughout the year.

What outcomes were achieved?

- Through our engagements, we understand that shareholders remain focused on financial performance, sustainable growth and capital allocation.
- Feedback received from shareholders showed differing views with regard to share buyback and dividends.
- The Board remain mindful of these views when considering the most appropriate means of returning capital to shareholders.

Read more on page 67

Customers

Why engage with our customers?

- We are in business to provide a valuable service to our valued customers, and they rely on us to provide quality products sustainably, on time and at a competitive price and engagement helps us understand both their needs and the needs of the consumer.
- Key areas of interest include the development of valued long-term partnerships, innovating together to provide great-tasting sustainable quality food to the highest technical and food safety standards.

How we engage

- We work closely with our customers on a daily basis to develop, improve and refine our products and ensure quality and food safety, through collaborative projects, market insights and innovation workshops with existing and new products aligned to our healthy and sustainable diets strategy.
- This engagement occurs at multiple levels, including at senior management and Executive Director level, and the Board receives regular customer relationship and industry trend updates.
- The Board supports the Group as it identifies opportunities to deepen these relationships and, through the Sustainability Committee, is particularly focused on opportunities with customers to progress our healthy and sustainable diets agenda.

What outcomes were achieved?

- During FY23 we developed and launched a number of new product ranges in response to existing and emerging trends.
- Customer and industry feedback was regularly shared with the Board, helping the Board understand and support customer opportunities and potential issues as they arose, including for example the impact of the cost of living crisis.

Read more in our Strategic Report

Board activities and engagement with stakeholders continued

Suppliers

Why engage with our suppliers?

- By working closely with our suppliers, we better understand our supply chain, helping us identify potential issues and opportunities for the supplier, the Group and our customers.
- The Group's focus on great taste and quality, food safety, innovation and a sustainable supply chain means that mutually beneficial supplier relationships are essential to ensuring sustainable opportunities continue to exist for both ourselves and our suppliers.

How we engage

- We interact daily with our suppliers, and our procurement teams hold workshops with key suppliers to drive strategies for mutual benefit, share our strategy on growth and sustainability and request support as required in relation to volume, quality and source.
- The Board is updated regularly on our key relationships and through our Sustainability Committee, is particularly focused on sustainable sourcing and working with suppliers as we encourage ethical sourcing, and identify areas of our supply chain that may be at risk from modern slavery and human rights abuses.
- Our Board also receive updates relating to shared challenges, e.g., inflation and responsible sourcing, and, importantly, through the Audit and Risk Committee, monitor payment terms to ensure these are fair and reasonable.

What outcomes were achieved?

- A key pillar to the Group's Sustainability Strategy is Sourcing with Integrity and the Group's Sustainability Committee has re-iterated the Group's intention to be an ethical business, sourcing its priority ingredients from a fairer and more sustainable supply chain.
- During FY23, the Board also approved the Group's Modern Slavery and Human Trafficking Transparency Statement.

Read more in our Strategic Report

Consumers

Why engage with our consumers?

- As the end user of our products, we understand that consumers rely on us every single day and by engaging with consumers, we better understand changing consumer behaviours and preferences, allowing us to provide them with great-tasting sustainable quality food to the highest technical and food safety standards.

How we engage

- We carry out a significant amount of analysis and research on the different food categories that we produce, focusing on how each category is performing and the major trends in that category from a consumer and marketplace perspective.
- Our Board, through its Sustainability Committee, is committed to understanding these trends and changing behaviours, particularly as by doing this we can better contribute to society by improving livelihoods and helping consumers make healthier food choices.

What outcomes were achieved?

- The Board and management discuss and consider the findings of the analysis and research conducted, and importantly the inputs of our customers and this is factored into discussions when considering the Group's strategy, particularly in relation to sustainability.

Read more on page 16

Colleagues

Why engage with our colleagues?

- Our greatest asset is our dedicated and experienced workforce – they are the lifeblood of our business and the anchor to the local communities in which we operate.
- Engaging with our colleagues has helped us understand that they seek an open, diverse and safe workplace, an environment enabling them to achieve their full potential, and one where they are accepted and valued for who they are, regardless of their background.

How we engage

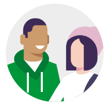
- Through numerous channels, the Group undertakes a significant number of engagement activities with colleagues each year, such as colleague forums across our sites, or through the anonymous People at the Core survey and Pulse Engagement Survey.
- Through these activities, the Board and management are 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.
- The Board is regularly updated on the numerous regular communication channels such as weekly CEO videos, 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.

What outcomes were achieved?

- In addition to people and engagement updates provided in the CEO's report at each Board meeting, the Board's Workforce Engagement Director also met with colleagues and provided the Board with valuable feedback which management have been able to act upon. Read more on pages 72 to 73.
- Recognising the importance of a diverse and inclusive workplace, the Board approved the Board Diversity Policy, ensuring its alignment with the Group Inclusion and Diversity Policy, and performance will form part of the CEO's' personal and strategic objectives for the FY24 annual bonus plan.

Read more on pages 72 and 73

Local communities



Why engage with our local communities?

- Our business depends heavily on the communities in which we operate and by engaging with our local communities we can provide support in a more effective manner.
- We consider ourselves to be a part of these communities and it is our responsibility to provide a positive impact, whether that is as an employer or as a producer of healthy, quality food that everyone should be able to access, particularly in severely difficult economic times as we are currently experiencing.

How we engage

- We interact through various channels from colleague engagement and participation in local events to more direct intervention such as charitable donations. Food donations in particular continue to be a central focus for our community engagement efforts.
- Supporting local communities is a priority area of the Group's Sustainability Strategy, the *Better Future Plan*.
- The Board, through its Sustainability Committee, received regular updates in relation to the progress of the Group's Sustainability Strategy, the *Better Future Plan*.

What outcomes were achieved?

- A Communities Roadmap has been developed as part of our Sustainability Strategy, the *Better Future Plan*.
- During FY23, the Group has redistributed over 770 tonnes (or 1,833,370 equivalent meals) of edible food waste.
- We have also increased the number of onsite staff shops where our own colleagues can purchase discounted products to help with the ongoing cost-of-living crisis.

Read more on page 28

Board activities and engagement with stakeholders continued

ENGAGING WITH OUR STAKEHOLDERS

Greencore recognises that our colleagues are intrinsic to the success of our business. Active engagement continues to be vitally important as we navigate ongoing external challenges, develop and win new business, refine working practices and seek to further improve retention.

During FY23, along with the assistance of our Workforce Engagement Director, Sly Bailey, the Group strengthened existing, and implemented several new, colleague engagement initiatives. These included:

- the introduction of a colleague app to help us improve communication with our frontline colleagues;
- weekly communication video from our CEO to ensure all colleagues are updated on business performance and progress;
- the launch of an in-house online coaching and mentoring portal;
- the opening of discounted 'staff shops' at several sites; and,
- continuation of our cross-functional colleague forum.

Sly ensures that our colleagues' voices are heard in the boardroom and their interests are taken into consideration when making important decisions.

"The cross-functional forum was an ideal way, during this year's organisational changes, for colleagues to have a voice and share regularly, with management, what they felt was working well and where we could do things differently. The colleagues in this group act as a temperature check for the business – sharing how people are feeling and looking at how we can work together to continue to enhance engagement and, also, support each other right across the business."

Feedback from a colleague forum member
Autumn 2023

Activities of the Workforce Engagement Director during FY23

- Hosted a listening group with our cross-functional salaried colleague forum members and provided feedback to the Board.
- Advised and supported on the restructuring that took place during the year.
- Continued to review the Group's recruitment, selection and training processes.
- Reported to the Board on a number of colleague engagement areas including inclusion and diversity and talent management.
- Met with the Chief People Officer to discuss colleague training and development plans, organisational changes, Inclusion and Diversity Strategy and new communication initiatives.
- Input to the plans and discussed output from our FY23 Pulse Engagement Survey.

Our plans to further improve colleague engagement

- Expand roll-out of our 'staff shop' concept to ensure as many colleagues as possible get access to discounted products.
- Provide training to both leaders and colleagues to ensure our colleague app is best utilised to enhance engagement.
- Develop key processes to help streamline and standardise work – including the launch of a new people management system.
- Build on our approach to hybrid working to support positive work life balance for all colleagues.
- Re-energise the focus we put on The Greencore Way as an enabler that will support us on our growth journey.

Division of responsibilities

As set out on page 65 of this Annual Report, the Board is collectively responsible for planning, directing and controlling the activities of the Group. The Board's responsibilities are set out in a formal Matters Reserved to the Board Policy. The Board is currently made up of nine Directors: one Executive Director and eight Non-Executive Directors, one of which is the Board Chair.

Board Chair Leslie Van de Walle	Roles of the Board Chair and Chief Executive Officer ('CEO') are separate and distinct and there is a clear division of responsibilities between the two roles. It is the role of the Board Chair to lead the Board and ensure its overall effectiveness in directing the Company, whilst demonstrating objective judgement and promoting a culture of openness and debate.
Chief Executive Officer Dalton Philips	Reporting to the Board Chair, the CEO has overall responsibility for running the business, driving shareholder value and developing strong relationships with stakeholders.
Chief Financial Officer Emma Hynes[1] (October 2022 – May 2023)	The Chief Financial Officer ('CFO') is primarily responsible for managing the financial affairs of the Company and optimising its financial performance. The CFO is also responsible for internal audit and risk management, as well as the Group's tax affairs.
Non-Executive Directors John Amaechi Sly Bailey Linda Hickey Alastair Murray Anne O'Leary Helen Rose Harshitkumar (Hetal) Shah Leslie Van de Walle	The role of a Non-Executive Director includes providing entrepreneurial leadership, developing strategy, scrutinising management performance and challenging management proposals in a clear and constructive manner. Non-Executive Directors also utilise their skills, expertise and experience to contribute to the development of the Group as a whole. Information on the time commitment expected from each Non-Executive Director is set out below.
Senior Independent Director Sly Bailey	In accordance with best practice and the 2018 UK Corporate Governance Code, the Board has appointed a Non-Executive Director as the 'Senior Independent Director'. It is the role of the Senior Independent Director to act as a confidential sounding board for the Board Chair and to serve as an intermediary for the other Directors when necessary. The Senior Independent Director is available to shareholders, and other stakeholders, if they have concerns which they have been unable to resolve through the normal channels of Board Chair, CEO or CFO, or indeed where such contact through the aforementioned channels is deemed inappropriate. Terms of Reference for the Senior Independent Director are approved by the Board and are reviewed annually. A copy of the Terms of Reference for the Senior Independent Director can be found on the Group's website, www.greencore.com.
Group General Counsel and Company Secretary Damien Moynagh	The Group General Counsel and Company Secretary, whose appointment and removal is a matter for the Board as a whole, is responsible for advising the Board on all governance matters and ensuring that Board policies and procedures are followed. The Group General Counsel and Company Secretary is available to each of the Directors for any advice or additional support they may require.

1. Jonathan Solesbury is currently acting as Interim Chief Financial Officer. He is not a member of the Board. As noted on page 60, Catherine Gubbins will join the Board in early 2024 as Executive Director and Chief Financial Officer.

Time commitment

Each year, a schedule of regular meetings to be held in the following calendar year is agreed with each of the Directors. A list of the Directors' attendance at scheduled meetings throughout the year can be found on page 61. Additional Board meetings are held on an ad hoc basis as required throughout the year.

Board and Committee meetings normally take place at the Group's head office in Dublin as well as at the Group's sites where tours of the local facilities and/or customer visits are also incorporated into the Board agenda.

Board papers are circulated electronically to Directors in the week preceding the Board meetings. The Board papers include the minutes of the previous Board meetings and, where appropriate, Committee meetings. In addition, the Chair of each Committee provides a verbal update on the relevant Committee meeting's proceedings at the following meeting of the Board.

If a Director is unable to attend a Board meeting, either in person or remotely, he or she is encouraged to communicate his or her views on any particular topic to the Board Chair, the CEO, the Senior Independent Director or the Group General Counsel and Company Secretary, in advance of the meeting. These views are then communicated at the Board meeting on behalf of the absent Director.

Where appropriate, the Board also establishes sub-committees on an ad hoc basis in order to deal with any additional items of business which arise throughout the year. The membership of the sub-committees will depend upon the purpose for which it was established and will take into account the skills and expertise necessary. During FY23, four sub-committee meetings were held.

The Board held 28 scheduled and unscheduled meetings during FY23. Attendance at scheduled Board and Committee meetings held during the year was as follows:

Scheduled meeting attendance during FY23

	Board[1]	Audit and Risk Committee	Nomination and Governance Committee	Remuneration Committee	Sustainability Committee
Scheduled meetings held during the year	**8**	**4**	**2**	**3**	**1**
John Amaechi[2]	7/8	–	1/1	2/2	0/1
Sly Bailey	8/8	–	1/1	2/2	1/1
Paul Drechsler[3]	2/2	–	0/0	1/1	–
Linda Hickey	8/8	4/4	1/1	3/3	–
Emma Hynes[4]	6/6	–	–	–	–
Gary Kennedy[5]	1/2	–	0/0	–	–
Alastair Murray[6]	4/5	2/2	1/1	–	1/1
Anne O'Leary	8/8	4/4	–	3/3	–
Dalton Philips	8/8	–	–	–	–
Helen Rose	8/8	4/4	1/1	–	1/1
Harshitkumar (Hetal) Shah[7]	4/4	2/2	–	–	–
Leslie Van de Walle	7/7	1/1	1/1	–	–
Helen Weir[8]	1/1	1/1	–	–	–

1. The Board and each Committee held additional meetings throughout the year. Further details on additional Committee meetings are set out in the respective Committee reports.
2. John Amaechi was unable to attend a Board meeting and a Sustainability Committee meeting due to illness. Having read the papers, he communicated his views on the business of the meetings to the Chair.
3. Paul Drechsler stepped down from the Board and as Non-Executive Director on 26 January 2023.
4. Emma Hynes stepped down as Executive Director and Chief Financial Officer on 31 May 2023.
5. Gary was unable to attend one meeting due to an illness. Gary stepped down from his role as Board Chair and Non-Executive Director on 26 January 2023.
6. Alastair Murray was appointed to the Board as Non-Executive Director and Chair of the Audit and Risk Committee on 1 February 2023. Alastair was unable to attend a meeting due to prior business commitments. Having received the papers, he communicated his views on the business of the meeting to the Chair.
7. Hetal Shah was appointed to the Board and as Non-Executive Director on 1 April 2023.
8. Helen Weir stepped down from the Board as Non-Executive Director and Chair of the Audit and Risk Committee on 31 December 2022.

Site visit policy

The Board has a formalised Site Visit Policy for Non-Executive Directors. Under the Site Visit Policy, Non-Executive Directors visit certain sites, absent Executive Directors, in order to meet local management teams, members of the wider workforce, see operations and experience the culture of the business. During FY23, Non-Executive Directors had the opportunity to visit the sites at Bow, Tamworth, Warrington and Park Royal, after which an update on the visits and associated learnings were shared with the Board.

External appointment policy

The Board has a formalised External Appointment Policy ('Appointment Policy') for Directors. The Appointment Policy stipulates that in advance of any new Board appointment, each potential new Non-Executive Director will be provided with information on the time commitment expected of him or her for his or her role. The potential Non-Executive Director is required to provide a detailed overview of all other directorships and other significant commitments together with a broad indication of the time commitment associated with such other directorship(s) or significant commitment(s). The proposed appointee must also confirm that they have sufficient time to dedicate to the role and meet their requirements as a potential Non-Executive Director of the Company.

Furthermore, all incumbent Directors must seek the prior written approval of the Board in advance of undertaking any additional external appointments. Before approving any additional external appointment, the Board shall consider the time commitment required for the role. Each proposed external appointment shall be reviewed independently.

In addition to the above, in accordance with the Appointment Policy, Executive Directors shall not normally be permitted to take on more than one non-executive directorship in a FTSE 100 company or other significant appointment, however, each proposed external appointment shall be considered independently. In the event that permission is granted for an incumbent Director to take on a significant external appointment, full details of the rationale for permitting such an appointment shall be clearly explained in the Group's Annual Report and Financial Statements.

The Appointment Policy was reviewed in FY23 and minor amendments were approved by the Board.

Composition, succession and evaluation

Board composition and independence

The Board consists of eight Non-Executive Directors and currently one Executive Director, being the Chief Executive Officer ('CEO'). In early 2024, Catherine Gubbins will join as Executive Director and Chief Financial Officer ('CFO'). A number of Board changes occurred during FY23 which are detailed in the section entitled 'Board succession and changes to the Board'. The biographical details of each of the Directors, along with each of their individual dates of appointment, are set out on pages 62 and 63.

Collectively and individually, the Directors are highly experienced with a wide range of skills, understanding and expertise which facilitates effective and entrepreneurial leadership. The Directors' individual capabilities, as well as the effective processes and structures in place, ensure effective leadership of the Group and that the highest standards of corporate governance are preserved.

The Board comprises individuals from a varied range of backgrounds, each of whom brings independent judgement on a number of key issues for the Group, including strategy, performance, operations, culture, sustainability, health and safety, data analytics, leadership, ethics and regulation, diversity, finance, risk and IT. This range of backgrounds and expertise is invaluable to both the Board and the Group as it continues to rebuild its economic and operating model effectively and sustainably with all stakeholders.

At least annually, the Nomination and Governance Committee undertakes a detailed review of Board and Committee composition to ensure that there is effective succession planning in place and that the Board and the Committees are of the appropriate size, structure and composition, with no one individual or small group having the ability to dominate decision making. Given the current composition of the Board, no undue reliance is placed on any individual Non-Executive Director and the Board is satisfied that it is sufficiently independent in order to operate effectively.

In accordance with Provision 11 of the 2018 UK Corporate Governance Code (the 'Code'), at least half of the Board, excluding the Board Chair, is considered independent. In accordance with Board policy, the independence of each Non-Executive Director is considered by the Nomination and Governance Committee prior to appointment and independence is reviewed annually by the Board and reassessed as necessary. The Board has determined that each of the Non-Executive Directors is independent in character and judgement and free from any business or other relationship that could affect their judgement.

In assessing the independence of Sly Bailey, the Board considered her length of service on the Board, which is in excess of nine years, and formed the view that Sly has always and continues to exercise independent judgement as a Non-Executive Director and as Senior Independent Director. The Board concurred that Sly brings an independent mind-set to Board and Board Committee meetings and expresses her views independently of any other relationships. Sly has confirmed that she will retire from the Board at the conclusion of the 2024 Annual General Meeting.

Board succession and changes to the Board

On 31 December 2022, Helen Weir stepped down from the Board as Non-Executive Director and Chair of the Audit and Risk Committee. At the conclusion of the AGM on 26 January 2023, Gary Kennedy retired from his role as Board Chair and Non-Executive Director, Paul Drechsler also retired from his role as Non-Executive Director and Leslie Van de Walle assumed the position of Board Chair on the same date.

On 1 February 2023, Alastair Murray was appointed to the Board as a Non-Executive Director and Chair of the Audit and Risk Committee and on 1 April 2023, Harshitkumar (Hetal) Shah was appointed to the Board as a Non-Executive Director. On 17 April 2023, the Board announced that Emma Hynes would step down from her role as Executive Director and CFO with effect from 31 May 2023. In September 2023, the Group announced that Catherine Gubbins had been appointed to the role of Executive Director and CFO and would take up her role in early 2024.

The Board together with the Nomination and Governance Committee keeps the composition of the Board under review, and will continue to actively consider Board renewal and succession planning during FY23 to ensure that it remains strongly positioned to support and lead the Group into the future.

Further information in relation to Non-Executive Director refreshment and succession planning is contained in the Report of the Nomination and Governance Committee on pages 78 to 81.

Induction and development

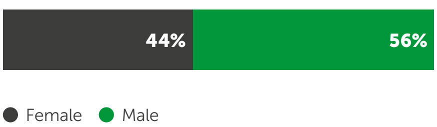
New Non-Executive Directors undertake a tailored induction process which includes dedicated time with the Group Executive Team and senior management and scheduled trips to business operations. The programme is tailored based on experience and background of the individual and the requirements of the role. All Directors visit the Group's main operating sites as part of their induction and are encouraged to make at least one visit to other sites every year. The Board encourages visits to Group businesses, including meetings with local management and meetings with members of the wider workforce, as these help Directors understand the Group's activities through the direct experience of seeing our facilities and operations and by having discussions with a diverse group of our people.

During FY23, the Directors received training on governance-related matters and external experts are invited to attend Board meetings as appropriate. This included proposed changes to the Code expected in 2024.

Members of the Board also have access to online seminars and training events to keep up-to-date on developments in key areas. All Directors are encouraged to avail of opportunities to hear the views of and meet with the Group's shareholders and analysts. There is an established

Board diversity as at 29 September 2023

By gender



By role

By tenure

procedure for Directors to take independent professional advice in the furtherance of their duties, if they consider this to be necessary.

Board evaluation

The Code specifies that the Board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors, and that the Board should have an externally-facilitated evaluation at least once every three years.

The Board recognises the importance of ensuring sustained improvement to and enhancement of its effectiveness, and undertakes various phases of evaluation to facilitate this, as well as a review of its independence. Each year, the Board conducts an internal evaluation of its performance, which is led by the Board Chair, as well as a triennial external evaluation. In FY21, the evaluation was conducted by an external third party, Independent Audit, in accordance with the requirement under the Code to have it externally facilitated every three years. In FY22 and FY23, the performance evaluation process was conducted internally.

In the FY22 Annual Report and Financial Statements, a number of recommendations to enhance the Board's effectiveness were mentioned. In FY23, particular focus was given to optimise the Board's time and create a new way of working to maximise its effectiveness. The quality of Board papers has improved, with more concise papers being included in Board packs, leading to more constructive discussion at meetings. In addition, the Board spent considerable time refining the Group's strategic priorities and how these will be measured.

During FY23, the Board undertook an internal review of its operation, performance and effectiveness, which was conducted using an online questionnaire. The review concluded that the Board was effective and working well. The results of the review, including Board members' comments in each area, as well as focus areas to enhance the Board's effectiveness, were reviewed by the Board, following which the Board agreed to:

- enhance its focus on medium and long-term strategic objectives and priorities;
- support successful onboarding of the new CFO; and
- continue to consider talent management strategy as part of succession planning as well as development and performance of the Group Executive Team and below.

A review of the operation, performance and effectiveness of the Board Committees was also conducted in FY23 and a performance evaluation discussion was included on the agenda for each of the Committees, supported by an analysis of how each Committee was performing against key areas of its Terms of Reference. Each of the Board Committees concluded it was operating effectively.

The Board Chair held private discussions with each of the Non-Executive Directors regarding individual Director performance. The outcome of these evaluations was positive, noting that each Director continues to contribute effectively.

The Senior Independent Director led the annual evaluation of the Board Chair which involved the completion of a tailored questionnaire by each Director on the Board Chair's performance and effectiveness for FY23. The Senior Independent Director discussed the findings of the evaluation with the Board Chair and then presented the findings, including proposed areas for further focus in FY24, to the Board.

Inclusion and diversity

The Group's Board Diversity Policy (available on www.greencore.com) sets out the approach taken to ensure Board appointments support and embrace difference and nurture an inclusive Board culture. In this context, diversity not only encompasses gender, ethnic and social ambitions/diversities, but also extends further to differing experience, background, intellectual and personal strengths. All Board appointments are made on merit against objective criteria, in the context of the overall balance of skills, experience, expertise and backgrounds that the Board needs to remain effective. This ethos is integral to the Nomination and Governance Committee's approach when carrying out its duty of reviewing the Board composition. The Board is fully supportive of the recommendations of the Hampton-Alexander Review and the Parker Review in respect of both gender and ethnic diversity and aims to maintain Board representation of at least 33% female gender diversity.

During FY23, the Board was updated on the progress made against the Group's Inclusion and Diversity Strategy and endorsed inclusion initiatives taking place across the business. These included the Group's investment in reverse mentoring, introducing representation targets for our leadership team and placing greater focus on social inclusion through early career programmes. In addition, for FY24, inclusion and diversity will remain an important goal in the CEO's personal and strategic objectives.

The Nomination and Governance Committee reviews the Board Diversity Policy annually, monitoring progress on diversity and, where appropriate, reports on the process used in relation to any Board appointments.

Detailed information in relation to the Board appointment process for FY23 is set out on page 79.

Report of the Nomination and Governance Committee

REPORT OF THE NOMINATION AND GOVERNANCE COMMITTEE

"During FY23, the Committee's objective was to maintain continuity of business knowledge on the Board while overseeing the ongoing refreshment cycle of the Board membership."

Dear Shareholder,
As Chair of the Nomination and Governance Committee (the 'Committee'), it is my pleasure to present my first Committee report as Committee Chair for the year ended 29 September 2023. This report sets out the Committee's main areas of focus over the past financial year.

The Committee's objective was to maintain continuity of business knowledge on the Board while overseeing the ongoing refreshment cycle of the Board membership.

Activities of the Committee
During the year, in addition to two scheduled meetings, the Committee also held four unscheduled meetings.

Role of the Committee
The Committee's responsibilities are outlined in its Terms of Reference, which can be found at www.greencore.com. The Committee reviews and refers any proposed amendments to its Terms of Reference to the Board for approval annually. The Terms of Reference were last updated in September 2023.

Membership of the Committee
The Committee currently consists of five Non-Executive Directors: Sly Bailey, Linda Hickey, Alastair Murray, Helen Rose and myself, all of whom are considered to be independent. Further details on the Committee members' skills, qualifications, experience and expertise are set out on pages 62 and 63. No Director attends discussions relating to their own appointment. In addition to members of the Committee, the Chief Executive Officer ('CEO') attends meetings of the Committee when it is considered appropriate for him to do so.

Membership of the Committee

Committee members	Date appointed	Attendance at scheduled Committee meetings during FY23
Leslie Van de Walle[1]	1 February 2023	1/1
John Amaechi[2]	1 February 2021	1/1
Sly Bailey[3]	28 January 2014	2/2
Paul Drechsler[4]	1 February 2021	0/0
Linda Hickey	1 February 2023	1/1
Gary Kennedy[5]	26 July 2012	0/0
Alastair Murray	1 February 2023	1/1
Helen Rose	1 February 2023	1/1

1. Leslie Van de Walle was appointed Committee Chair on 1 February 2023.
2. John Amaechi stepped down from the Committee on 1 February 2023.
3. Sly Bailey stepped down as Committee Chair on 1 February 2023 and remains a member of the Committee.
4. Paul Drechsler retired from the Committee on 26 January 2023, following the conclusion of the 2023 Annual General Meeting.
5. Gary Kennedy retired from the Committee on 26 January 2023, following the conclusion of the 2023 Annual General Meeting.

Committee effectiveness
The FY23 review of the operation, performance and effectiveness of the Committee was conducted through one-to-one discussions held by me, as Committee Chair, and each of the members, and a performance evaluation discussion was included on the agenda for the Committee at its September 2023 meeting. The review confirmed that the Committee continues to operate effectively and efficiently and has the skills and expertise required in order to perform its role appropriately. In FY24, particular focus for the Committee will be on succession planning and talent management and to continue to drive for diverse candidates both at Board and executive level.

Board composition

The Committee, together with the Board keeps the composition of the Board under review, and, in FY23, considered Board size, renewal, and succession planning to ensure that it remains strongly positioned to support and lead the Group into the future.

Length of service	Number of Non-Executive Directors
Less than 1 year	3[1]
Between 1 year and 5 years	3[2]
Between 5 years and 10 years	1[3]
Over 10 years	1[4]

1. Hetal Shah, Leslie Van de Walle and Alastair Murray.
2. John Amaechi, Linda Hickey and Anne O'Leary.
3. Helen Rose.
4. Sly Bailey.

The Committee is responsible for ensuring that the Company has a formal, rigorous and transparent process in place for Board appointments. Prior to making any new appointments to the Board, the Committee considers the skills and attributes required and agrees a profile. This is preceded by an evaluation of the skills, knowledge, experience and diversity on the Board as well as the anticipated time commitment for the role. The Committee also provides input into a shortlist of candidates and is involved in the interview process for all appointments. The Committee recommends the appointments to the Board for approval.

Chief Financial Officer appointment

During FY23, the Committee, led by the Chair, oversaw a thorough and inclusive selection process which resulted in the appointment by the Board of the incoming Chief Financial Officer ('CFO'), Catherine Gubbins, with effect from early 2024, to replace Emma Hynes who stepped down from the Board in May 2023. Catherine is an experienced CFO with a strong track record of successfully leading finance, legal and procurement functions. An extensive search was followed by a multi-stage interview process which gave the Non-Executive Directors the opportunity to meet the shortlisted candidates. The Executive Search Firm, Russell Reynolds were engaged by the Committee and Russell Reynolds has no connection with individual directors or the Company other than its work as advisor to the Company.

Non-Executive Director changes

The Committee oversaw a number of changes to the Non-Executive Directors during FY23. Helen Weir and Paul Drechsler stepped down in December 2022 and January 2023, respectively. I was appointed by the Board as Non-Executive Director and Chair Designate in December 2022, and assumed the role of Board Chair earlier than expected in early January 2023, due to the sudden illness of Gary Kennedy. At the conclusion of the Annual General Meeting ('AGM') in January 2023, Gary officially retired as Board Chair. Gary sadly passed away in February 2023. On behalf of the Board, I would like to express my condolences to Gary's family and on a personal note, I would like to express my gratitude to Gary for his support and generosity of time during my induction. He is sadly missed.

Russell Reynolds was engaged in FY23 to assist in the identification of suitable candidates for appointment of Non-Executive Directors to the Board. The Committee defined a set of specific criteria for the two new Non-Executive Directors which were set out in a role specification to determine the key skills, experience, knowledge, characteristics and requirements for the role, having regard to the challenges and demands of the future operating environment, growth opportunities and Board diversity.

In February 2023, Alastair Murray joined the Board and became Chair of the Audit and Risk Committee. Alastair is also chair of the audit and risk committee at McBride plc since August 2021. In April 2023, Harshitkumar (Hetal) Shah joined the Board and became a member of the Audit and Risk Committee. Both Alastair and Hetal have strong financial expertise and a background in the food industry and their addition strengthens the Board's knowledge base.

Letters of appointment of each of the Non-Executive Directors detail the terms of appointment and Directors' responsibilities, and also stipulate the time commitment required from Directors. Copies of Directors' letters of appointment are available to shareholders for inspection at the AGM and at the Company's registered office during normal office hours.

Re-election

The Company's Articles of Association provide that at every AGM, each Director shall retire and seek re-election. Under its Terms of Reference, the Committee makes recommendations to the Board concerning the annual re-election of Directors. New Directors may be appointed by the Board but are subject to election at the first AGM after their appointment. Both Alastair Murray and Hetal Shah will seek first election at the 2024 AGM.

As the Group refreshes its priorities, it remains important to me as Chair to review the Board size and structure. In November John Amaechi and Sly Bailey advised the Board that they will not be seeking re-election at the 2024 AGM. I would like to take this opportunity to sincerely thank Sly for her dedication to the Board. During her tenure, Sly has sat on various Board Committees, assumed the role as Senior Independent Director and became the Group's first Workforce Engagement Director. Her business leadership expertise has been especially invaluable during the past two years of transition on the Board and she played an instrumental part in the Board Chair and CEO succession plans. We would also like to thank John for his contribution, bringing a wealth of inclusive leadership experience and insights to the Board and Committees on which he served.

Committee composition

In early FY23, the Committee reviewed the size, structure and composition of the Board Committees and Board roles. Considerations included reviewing Director tenure on the Board and the tenure of the Senior Independent Director and Workforce Engagement Director (with consideration that both roles are currently held by Sly Bailey, the review was undertaken in her absence), as well as Board Committees. The Committee made recommendations to the Board in respect of refreshing Board Committee composition, taking into account the requirements of the Committees' Terms of Reference, as well as the provisions of the 2018 UK Corporate Governance Code (the 'Code').

A new Sustainability Committee was also formed and will oversee the implementation of the Group's Sustainability Strategy having regard to key stakeholders.

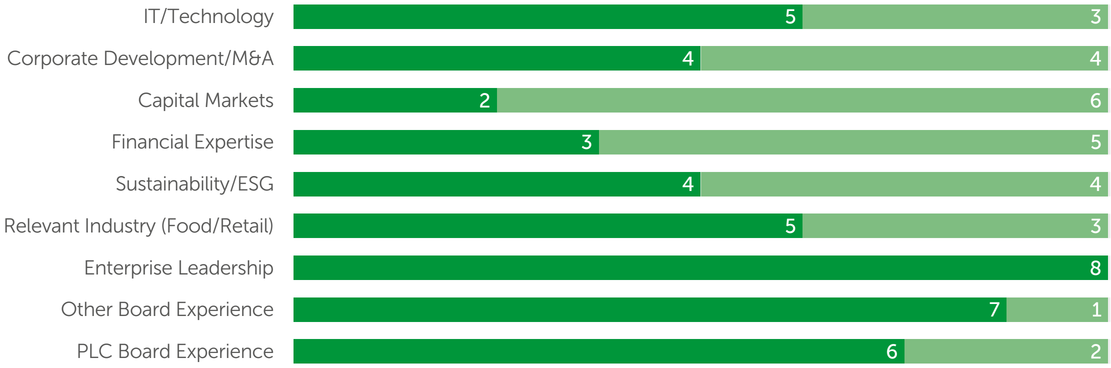
Succession planning

Succession planning for all Directors, including the Executive Directors, is an ongoing cycle of work. As part of our succession planning, the Committee considers the current skills, experience and tenure of the Directors and assesses future needs against the longer-term strategy of the Group.

We also considered the Group's inclusion and diversity planning as part of our succession planning in order to support developing a diverse pipeline.

Report of the Nomination and Governance Committee continued

General experience



Directors' induction and training

A comprehensive, tailored induction programme is developed for newly-appointed Non-Executive Directors, which includes dedicated time with the Group Executive Team and senior management and scheduled trips to business operations. The programme is tailored based on experience and background of the individual and the requirements of the role. As part of their induction programme, they are provided with detailed information in relation to the Group's history and structure. They also receive data and analysis on the Group's people, sustainability, commercial, strategic, operational, financial, governance, risk management and capital markets agenda.

In order to gain a deeper understanding of the business, all Directors visit Group operating sites as part of their induction and are encouraged to make at least one visit to other sites every year. Site visits are an important part of the induction process, as well as for continuing education in helping Directors understand the Group's activities through the direct experience of seeing our operations and by having discussions with a diverse group of our people.

Directors receive ongoing training and development, and the Board and Committees receive regular updates and briefings on relevant legal, environmental, social, governance, regulatory and financial developments, including from the external auditor and external advisors.

Corporate governance developments

Throughout FY23, we have continued to keep up to date with corporate governance requirements and in ensuring that Board and Committee agendas were reflective of current issues, and information provided to members was current and timely. Understanding and taking into account the significance and importance of each component of environmental, social and governance ('ESG') related issues to the business of the Company, the Board formed a new Sustainability Committee. The new Sustainability Committee is chaired by Helen Rose who, having previously assumed the role of Sustainability Engagement Director, is close to the Group's Sustainability Strategy and the challenges faced. The Committee's role is to oversee and provide direction in this area.

The Code continues to apply to the Group. The Committee has developed a number of policies and processes in order to enhance corporate governance standards, each of which were approved by the Board, following recommendations from the Committee. During FY23, each of the policies were reviewed by the Committee, updated where appropriate, and approved by the Board.

Diversity representation as at 29 September 2023

The following tables set out the information required to be disclosed under Listing Rule 9.8.6R(10) as set out in Annex 2 to UK LR 9, as at 29 September 2023. For the purposes of these tables, Executive management is as defined in the Listing Rules, being the executive committee or the most senior executive or managerial management body below the Board (or where there is no such formal committee or body, the most senior level of managers reporting to the chief executive), including the company secretary but excluding administrative and support staff. For Greencore, this is the Group Executive Team including the Group General Counsel and Company Secretary. Collection of data was done on the basis of self-reporting from each Board member.

As at 29 September 2023, 44% of the Board members were female. The Company has also met the requirement to have at least one Board member from an ethnic minority background. The Group gender diversity breakdown, which is also set out on page 31, shows the gender mix across the organisation.

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	5	56%	2	7	100%
Women	4	44%	1	–	–
Other	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	7	78%	3	7	100%
Mixed/Multiple ethnic groups	1	11%	–	–	–
Asian/Asian British	1	11%	–	–	–
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

Inclusion and diversity

During the year, the Board was updated in relation to the initiatives to improve the Group's Inclusion and Diversity Strategy. The Committee will continue to monitor closely the Group's wider diversity initiatives and progress against plans over the course of FY24. In the year under review, the Committee reviewed and updated the Board Diversity Policy to reflect the new disclosure requirements. The Board's gender and ethnicity diversity disclosures, including those relevant under the new Listing Rule 9.8.6R(10), are set out above. The Board Diversity Policy is available under the Governance section of our website, www.greencore.com.

We strongly believe that diversity throughout the Group and at Board level is a driver of business success and overall Group strategy. We recruit and appoint talented Board members, who have the appropriate mix of skills, capabilities and market knowledge to ensure the Board is effective. Throughout the year, and in line with our Board Diversity Policy, the Committee ensured appointments to our Board and its Committees contributed to the Group-wide inclusion and diversity ambitions. With 44% female representation currently on the Board, we have exceeded the recommendations of the Hampton-Alexander Review and are also in compliance with the recommendations of the Parker Review and the new Listing Rule requirements.

Furthermore, with the appointment of Catherine Gubbins to the Board as CFO and Executive Director, with effect from early 2024, the Board will continue its progress in moving towards a more gender balanced and diverse and inclusive Board.

The Committee is proud of its progress in this area and is committed to maintaining balanced representation on the Board. This is of fundamental importance as we embed our recently developed Inclusion and Diversity Strategy across the Group.

Overall the Committee and the Board has undertaken a significant amount of work in the nomination and governance space during FY23 – reforming the governance structure through the establishment of a new Sustainability Committee, refreshing our Board membership and renewal of our Committee membership. Looking to FY24, the Committee will remain focused on driving our inclusion and diversity agenda, as well as managing senior talent succession.

I would like to express my gratitude to my colleagues on the Committee for their ongoing commitment to both the Board and the Committee.

Leslie Van de Walle
On behalf of the Nomination and Governance Committee
27 November 2023

Report of the Audit and Risk Committee

REPORT OF THE AUDIT AND RISK COMMITTEE

"The Committee continued to focus on the issues relevant to the Group's financial reporting, considering how business performance is reflected in financial reporting, assessing key accounting judgements and ensuring ongoing quality of the related disclosures."

Dear Shareholder,
On behalf of the Audit and Risk Committee (the 'Committee') and the Board, in my first year as Chair, I am pleased to present the Report of the Committee for the year ended 29 September 2023 ('FY23'). This report describes how the Committee has carried out its responsibilities during the year.

The Committee continued to focus on the issues relevant to the Group's financial reporting, considering how business performance is reflected in financial reporting, assessing key accounting judgements and ensuring the ongoing quality of the related disclosures. The Committee receives updates on the system of internal control and risk management at every meeting.

Role of the Committee
The Committee's role, authority, duties and scope are set out in its Terms of Reference which are available on the Governance section of our website, www.greencore.com. The Committee reviews the Terms of Reference annually and any amendments are presented to the Board for approval. The Terms of Reference were last reviewed in September 2023.

The Committee is currently comprised of five Non-Executive Directors, all of whom are considered by the Board to be independent. At the end of 2022, Helen Weir stepped down from the Board and as Chair of the Committee and I would like to thank Helen for her commitment and contribution to the Committee. In February 2023, I joined the Board and assumed the role of Chair of the Committee and, in April 2023, we welcomed Harshitkumar (Hetal) Shah to the Board and as a member of the Committee. Hetal, Helen Rose and I have recent and relevant financial experience. Having been involved in risk management in TSB Banking Group plc, Helen Rose also has specific risk expertise. As a whole, the Committee has competence relevant to the Company's sector.

Further details on the Committee members' experience and qualifications can be found in our biographical details as set out on pages 62 and 63.

In accordance with the Committee's Terms of Reference, the Group General Counsel and Company Secretary or their nominee acts as Secretary to the Committee.

Membership of the Committee

Committee members	Date appointed	Attendance at scheduled Committee meetings during FY23
Alastair Murray[1]	1 February 2023	2/2
Linda Hickey	1 February 2021	4/4
Anne O'Leary	1 February 2021	4/4
Helen Rose	11 April 2018	4/4
Harshitkumar (Hetal) Shah	1 April 2023	2/2
Leslie Van de Walle[2]	1 January 2023	1/1
Helen Weir[3]	1 February 2020	1/1

1. Alastair Murray was appointed as Committee Chair on 1 February 2023.
2. Leslie Van de Walle was appointed as Interim Committee Chair between 1 January 2023 to 31 January 2023 and resigned from the Committee on 31 January 2023.
3. Helen Weir stepped down as Committee Chair and resigned from the Committee on 31 December 2022.

Committee meetings
During FY23, the Committee held four scheduled meetings which were attended by all Committee members. The meetings of the Committee are generally scheduled to take place in advance of Board meetings. This allows the Committee Chair to provide the Board with a detailed update on the key items discussed at the Committee meetings. During FY23, regular attendees at Committee meetings included the Chief Executive Officer ('CEO') as well as the Chief Financial Officer ('CFO'), the Interim CFO, the Group Financial Controller and Director Internal Audit and Risk. Representatives of the external auditor, Deloitte Ireland LLP ('Deloitte'), also attended each scheduled meeting. In addition, other individuals from the Group attended Committee meetings

and provided the Committee with updates on certain key areas of the business, as requested, including the Chief Commercial Officer, Chief People Officer, Chief Operating Officer, Head of Legal and Compliance, the Health, Safety and Environment Director and the Group Technology Director.

In my capacity as Chair of the Committee, I am available to all Board members to discuss any audit or risk related issues they may have, either on a collective or individual basis. During FY23, I met with the external auditor and the Director Internal Audit and Risk, without management, on a regular basis. The Director Internal Audit and Risk, whose appointment or removal is subject to Committee approval, has direct access to both myself and the Committee.

How the Committee has discharged its responsibilities during FY23

Key areas of focus

The Committee has an extensive agenda which focuses on monitoring the effectiveness of risk management within the Group as well as ensuring the integrity of the Group's financial reporting, that any judgements made are appropriate, that the external auditor is effective in its role and that the Group has an effective internal controls framework. During FY23, the work of the Committee principally fell under the following key areas:

Risk management and internal controls	The Committee supports the Board in its duties to review and monitor, on an ongoing basis, the effectiveness of the Group's system of internal controls and risk management. In order to fulfil these duties, during the year under review, the Committee: • received progress updates on the FY23 Internal Audit Plan which covered, amongst other areas, capital projects, sustainability and cyber security as well as health and safety; • reviewed and approved the FY24 Internal Audit Plan which sets out the planned activities for the year ahead, as well as Internal Audit staffing and resources. The FY24 plan is informed by principal and functional risk registers; • agreed the refreshed risk management policy and framework and reviewed the Group Statement of Risk Appetite; • received presentations on principal and emerging risks and discussed, with senior management, the material internal controls and assurance processes which exist to mitigate and manage these risks in accordance with the Board's risk appetite; • received regular reports from the Risk Oversight Committee ('ROC'), which is comprised of the Group Executive Team. The ROC was established to support the Committee with ongoing monitoring of the risk management process; • formally met with the Director Internal Audit and Risk who provided reports on the key audit findings, themes and key issues noted throughout the reviews and progress on closure of actions including any overdue actions resulting from business process and control reviews; and • reviewed the Group's Treasury Policy. In light of the above, the Committee continues to be satisfied that the Group's internal controls environment remains appropriate and effective and has reported this opinion to the Board.
Financial reporting	The Committee reviewed the form and content of the Annual Report and Financial Statements, as well as the half year and full year results statements including the key estimates and judgements made by management in the preparation of the Financial Statements. During FY23, the Committee: • considered the FY22 Full Year Financial Statements and the FY23 Interim Results Statement. The Committee reviewed and challenged management on the appropriateness of estimates and judgements made in the preparation of the Financial Statements; • reviewed the judgements made with respect to which items should be disclosed separately as exceptional items in the Financial Statements to confirm that these were in line with policy; • considered the Group's tax compliance and tax strategy; • reviewed papers on the Group's significant accounting judgements and estimates; and • reviewed the Group's accounting policies and management's assessment of the impact of IFRS amendments effective during FY23 on the Financial Statements and the potential impact of upcoming amendments to IFRS on the Group.

Report of the Audit and Risk Committee continued

External audit	The Committee reviewed the quality of the external audit and provided oversight in relation to the external auditor's relationship with the Group including agreeing the external auditor's terms of engagement and monitoring the independence and objectivity of the external auditor, Deloitte. In November 2022, the Committee also discussed the FY22 external auditor's report to the Committee with Deloitte, considering their findings, conclusions and the recommendations arising from their work. It also reviewed and agreed the Letter of Representation. Progress on the implementation of the recommendations from the external auditor and updates to internal controls formed part of the management reports to the Committee during FY23. The Committee met with Deloitte in January, May and September 2023 to consider and challenge the scope of the annual FY23 external audit plan, which was set taking into consideration the nature of risks to, and the strategy of, the Group.
Directors' compliance statement	The Committee reviewed the appropriateness of the Directors' Compliance Policy Statement and also considered reports from senior management in respect of the compliance structures and arrangements in place for the year under review to ensure the Company's material compliance with its relevant obligations. Following the review, as well as a review of the report from the Internal Audit function in respect of the compliance structures and arrangements, the Committee confirmed to the Board that, in its opinion, the Company is in material compliance with its relevant obligations.
Going concern and viability statement	The Committee's role as delegated by the Board, is to carry out an assessment of the adoption of the going concern basis of accounting and report to the Board accordingly. The Committee challenged and scrutinised management's detailed assessment of the Group's going concern model, including examining and challenging the underlying assumptions and analysis presented in support of the going concern statement. Financial models based on a number of scenarios which included inflation and supply side disruption were considered by the Committee along with an assessment of the borrowing facilities available. Further information is set out below and on pages 58 and 128. For the purpose of the viability statement, the Committee's role, as delegated by the Board, is to review the underlying processes and key assumptions underpinning the viability statement and report to the Board accordingly. The Committee reviewed management's work in assessing the Group's current position and potential risks facing the Group, including the results of the financial modelling of the principal risks identified as having the greatest potential impact on the Group's viability and the Group's ability to meet its liabilities in the medium-term, as well as the appropriateness of the Group's choice of a three year assessment period. Following this review, the Committee was satisfied that management had conducted a robust assessment of the Group's emerging and principal risks and recommended to the Board that it approve the viability statement, as set out on page 58.

Monitoring the integrity of the FY23 Financial Statements including significant judgements and formal announcements relating to the Group's financial performance:

- we reviewed the appropriateness of Group accounting principles, practices and policies and monitored changes to, and compliance with, accounting standards;
- we reviewed the half year and full year results statements for FY23. Before recommending their release to the Board, we compared the results to management accounts and budgets, focusing on key areas of judgement, and also discussed the statements with the external auditor; and
- we reviewed, prior to making recommendations to the Board, the Annual Report and Financial Statements for the year ended 29 September 2023.

In undertaking our review, we discussed with management and the external auditor the significant judgements and estimates that had been applied. These were:

Goodwill	The Group had goodwill of £447.3m at 29 September 2023 as set out in Note 12 to the Group Financial Statements. Management's judgement is required in testing the carrying value of goodwill for impairment when comparing the value in use of the cash generating unit ('CGU') to the carrying value. The value in use was calculated using cashflow projections based on the Group's approved budget and strategic plans which were then projected out to perpetuity. The Committee considered the methodology applied and the key assumptions used in the assessment, which included future profitability, terminal growth and discount rates. The Committee was satisfied that there was sufficient headroom and that no impairment was required.
Accounting for exceptional items	The Group accounting policy sets out the items that the Group believes it is appropriate to disclose separately as exceptional items. Management's judgement on whether an item should be classified as exceptional is presented to the Committee as part of the papers provided to the Committee on significant judgements and estimates. The Committee challenges management on presentation of items as exceptional. The Committee was satisfied that the costs and income that were identified as exceptional are appropriate in the FY23 Financial Statements.
Taxation	Provisions for current and deferred taxation require judgement, including where the treatment of certain items may be the subject of debate with tax authorities. The Committee received updates relating to both the interim and FY23 accounting judgements and estimates around the Group's tax profile and provisions. The Committee considered the appropriateness of the provisions and the supporting information provided by management. The Committee was satisfied that the accounting and disclosures relating to provisions for taxation are appropriate in the FY23 Financial Statements.
Provisions	The Group has provisions for lease obligations, remediation and closure and other provisions for potential litigation and warranty claims. The primary reason for the movement in provisions during FY23 related to the use of the provision relating to the Better Greencore change programme and an increase in provision for remediation. Following discussions with management, the Committee was satisfied with the completeness and classification of the provisions for FY23.
Greencore Group plc investment in subsidiaries (Company only)	The Company has an investment in subsidiary undertakings of £765.1m. Management performed a review of the recoverability of the Company's investment in subsidiaries by performing a bottom-up review of the investments throughout the Group to determine if an impairment was required. On the basis of this analysis, the Committee was satisfied that an impairment of the Company's investment in subsidiaries of £1.5m was required.
Retirement benefit obligations	The Group had net retirement benefit obligations of £20.1m at 29 September 2023 as set out in Note 24 to the Group Financial Statements. The estimation of, and accounting for, retirement benefit obligations involve assessments made in conjunction independent actuaries. In FY23, there was a significant change in the Group's retirement benefit obligations as a result of the completion of the annuity buy in transaction for the Irish Defined Benefit Pension Scheme, along with other changes in assumptions for both the Irish and UK Defined Benefit Schemes. Management prepared an accounting paper on the underlying assumptions, along with the accounting for the annuity buy in transaction and discussed them with the Committee. The Committee was satisfied that the estimates made are appropriate at 29 September 2023.

In the previous year, going concern had been identified as a significant judgement by management. In FY23, management has determined that going concern is no longer considered to be a significant judgement with discussions held with the Committee to determine if this was appropriate. This Group has continued to improve performance during FY23, the external environment has stabilised, and the Group has continued to meet its covenant requirements with the key leverage covenant at 1.2x at 29 September 2023. Based on the discussions with management, the Committee is satisfied that going concern is appropriate to no longer be a significant judgement for FY23.

Fair, balanced and understandable assessment

Each year, in line with Provision 25 of the 2018 UK Corporate Governance Code (the 'Code') and the Committee's Terms of Reference, the Committee is asked by the Board to consider whether or not, in its opinion, the Annual Report and Financial Statements are fair, balanced and understandable ('FBU') and whether or not it provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

There is an established process in place to support the Committee in making this assessment. The main elements of this process are:

- an internal FBU Group comprising senior management from Finance, Legal and Tax considered the draft FY23 Annual Report and Financial Statements focusing on a number of 'key areas of focus' as outlined below;
- in advance of its November 2023 meeting, the Committee received a near-final draft of the FY23 Annual Report and Financial Statements, together with the list of areas to focus on;
- at the November meeting, the FBU Group reported its observations and conclusions, including supporting evidence, to the Committee; and
- the Committee considered the processes and controls involved in preparing the FY23 Annual Report and Financial Statements and discussed the findings of the FBU Group, as well as the observations of individual Committee members, and the external auditor.

Following its review this year, the Committee concluded that it was appropriate to confirm to the Board that the FY23 Annual Report and Financial Statements were fair, balanced and understandable and provided the information necessary for shareholders to assess the Group's position, performance, business model and strategy. The FBU statement appears on page 113 of the Directors' Report.

Report of the Audit and Risk Committee continued

The 'key areas of focus' included ensuring that the:

- overall message of the narrative reporting is consistent with the Financial Statements;
- overall message of the narrative reporting is appropriate, in the context of the industry and the wider economic environment;
- FY23 Annual Report and Financial Statements is consistent with messages already communicated to investors, analysts and other stakeholders;
- FY23 Annual Report and Financial Statements, taken as a whole, are internally consistent and understandable;
- Chair's statement and CEO's review include a balanced view of the Group's performance and prospects, and of the industry and market as a whole;
- any summaries or highlights are balanced and reflect the position of the Group appropriately; and
- examples are of strategic importance and do not over-emphasise immaterial matters.

Risk management and internal controls

The Board has overall responsibility for the Group's system of internal controls and risk management and determines our strategic approach to risk. The Board's approach to risk management is set out in the Risks and risk management section of this Report on pages 49 to 57. The Committee reviews the effectiveness of the system and ensures that there is a process in place for identifying, evaluating and managing the significant risks to the achievement of the Group's strategic objectives.

Under Irish company law (Section 327(1) (b) of the Companies Act 2014) and Provision 28 of the Code, the Directors are required to give a description of the principal risks and uncertainties which the Group faces. The principal risks and uncertainties identified are set out on pages 52 to 57 and form part of the Directors' Report. The principal risks facing the Group include people risks, operational risks, strategic risks, commercial risks and financial risks.

Whilst the Board as a whole is responsible for the Group's system of internal controls, the Board has delegated responsibility for monitoring the effectiveness of the Group's risk management and internal controls systems to the Committee. The Committee has conducted a review of the effectiveness of the Group's risk management and internal controls systems, including those relating to the financial reporting process. The Committee oversees a risk-based internal audit programme, including periodic audits of the risk processes across the Group. In order to monitor the effectiveness of the risk management system, the Committee also includes risk deep-dives on its meeting agenda, covering key risk areas across the Group, and receives reports on the efficiency and effectiveness of internal controls. Each of the individual areas of the business and functional management teams oversee the process through which principal and emerging risks and uncertainties relating to their part of the business are identified.

The Board believes that the individual business areas and functional management teams are best placed to identify the principal and emerging risks and uncertainties associated with their respective areas of business. During FY23, the Committee reviewed reports from the ROC, which provide oversight of the suitability and effectiveness of the Group's risk management systems, including the risk management policy, protocols and governance. In addition, the ROC reviews and considers emerging risks which may impact the Group in the future. Risks identified and associated mitigating controls are subject to review by the Board and the Committee on a regular basis.

The process for identifying, evaluating and managing risk has been in place throughout the financial year. This system of internal controls is designed to manage and mitigate, rather than eliminate, the risk of failure to achieve business objectives. The internal controls systems can only provide reasonable assurance, rather than absolute assurance, against material misstatement or loss. Our internal controls and risk oversight are monitored and continually improved to ensure their compliance with the Financial Reporting Council Guidance on Risk Management, Internal Controls and Related Financial and Business Reporting.

In analysing and reviewing risks, the Committee and the Board consider the:

- nature and extent of the risks, including principal risks facing the Group, as well as emerging risks;
- extent and categories of risks it regards as desirable or acceptable for the Group to bear;
- likelihood of the risk concerned materialising and the impact of associated risks materialising as a consequence;
- Group's ability to reduce the incidence and impact on its business of risks that do materialise;
- operation of the relevant controls and controls processes;
- costs of operating particular controls relative to the benefits in managing related risks; and
- Group's risk culture.

The key elements of the Group's system of internal controls are as follows:

- clearly defined organisation structures and lines of authority, including delegated authorities;
- corporate policies for financial reporting, treasury and financial risk management, information technology and cyber security, project appraisal, capital expenditure, health and safety, food safety and corporate governance;
- annual budgets and strategic business plans for the Group, identifying key risks and opportunities;
- monitoring of performance against budgets and forecasts and reporting thereon to the Directors on a regular basis;
- the Internal Audit function which independently reviews key business processes and controls and their effectiveness; and
- the Audit and Risk Committee, which approves audit plans, monitors performance against plans and deals with significant control issues raised by Internal Audit or the external auditor.

The preparation of financial reports is managed by the Group Finance team. The Group financial reporting process is controlled using the Group accounting policies and reporting systems. The Group Finance team provides guidance on the preparation of financial information. The Group seeks to continually test and improve its internal controls environment.

Details of the Group's hedging and financial risk management policies are set out in Note 21 and 22 to the Group Financial Statements, respectively. Details of the Group's financial Key Performance Indicators ('KPIs') are set out on pages 40 and 41. These disclosures form part of the Directors' Report.

During the year under review, Finance Internal Controls co-ordinated the Finance Internal Controls Questionnaire, a self-assessment by senior management on the effectiveness of key controls. The purpose of this questionnaire is for management to identify any controls weaknesses, which are subsequently addressed. This year's self-assessment focused particularly on internal controls over financial reporting.

Finally, the Directors, through the use of appropriate procedures, systems and the employment of competent personnel, have ensured that measures are in place to secure compliance with the Company's obligation to keep adequate accounting records, which are kept at the registered office of the Company.

Whistleblowing arrangements

At Committee meetings held during the year, the Committee reviewed the Group's arrangements for colleagues and/or third parties to raise concerns, in confidence, relating to ethical, auditing or other risk issues and/or improprieties or areas of concern. The Committee received reports on all concerns which had been raised either via the Group's externally facilitated and independent whistleblowing hotline, or via alternative means (for example, by email direct to the Company). The Group's externally facilitated whistleblowing hotline is operated by an independent external provider, is multilingual and is accessible to all colleagues and third parties either by phone (toll free 24 hours per day, seven days a week), or via a web portal. In reviewing the reports, the Committee also analysed the issues raised by location, category of concern raised and investigation process, along with the outcome of the investigations into the issues.

The arrangements in place across the Group are underpinned by the Group's Whistleblowing and Speak Up Policy, as well as the Group's Code of Ethics and Business Conduct. There are whistleblowing posters on notice boards at all Greencore sites and whistleblowing arrangements are explained to all new colleagues as part of their induction. The Group is at all times committed to ensuring that any concerns raised, however received, are appropriately investigated.

External audit

The Committee, on behalf of the Board, is responsible for the relationship with the external auditor and for monitoring the effectiveness and quality of the external audit process. The assessment of the external audit forms an integral part of the Committee's activities. The Committee evaluates the effectiveness of the external audit through an assessment of external and internal factors, taking into consideration the Group's business model and strategy, business risks, and its perception of the reasonable expectations of the Group's stakeholders. Following a formal audit tender process, which was conducted in FY17, Deloitte was appointed as the Group's external auditor and FY19 marked the first year of the Deloitte external audit. The lead partner for the audit of the Group's Financial Statements in respect of FY23 is Kevin Sheehan who has held this role since FY21.

In November 2023, in advance of the finalisation of the Group's FY23 Annual Report and Financial Statements, the Committee received a report from Deloitte on its key audit findings, including the key risk areas and significant judgements. In addition, the Committee considered the Letter of Representation and the management letter.

Effectiveness

During FY23, the Committee reviewed and assessed the quality and effectiveness of the FY22 external audit process based on evidence obtained throughout the financial year by reference to the scope of the audit work undertaken, monitoring performance against the agreed audit plan, presentations to the Committee, feedback from management involved in the audit process, and separate review meetings held without management. The Committee also considered the experience and knowledge of the external audit team and the results of post-audit reviews with management and the Committee. Overall, the Committee remained satisfied with the effectiveness of Deloitte based on its expertise having considered the audit team, their approach, lines of enquiry and robust challenge. Following this review, the Committee concluded that the external audit was effective and was satisfied with the level of services provided by Deloitte.

The Committee regularly meets with the external auditor, absent management, to discuss any issues the external auditor may wish to raise directly with the Committee.

Independence

To safeguard the external auditor's independence and objectivity, the Committee takes into account the information and assurances provided by the external auditor confirming that all of its network firms and engagement team members are independent of the Company.

In May 2023, the external auditor's Letter of Engagement was reviewed by the Committee on behalf of the Group in advance of the commencement of the audit. The Letter of Engagement sets out confirmation of Deloitte's independence within the meaning of the regulations and professional standards.

The Committee has two separate policies in place in order to safeguard the external auditor's independence and objectivity. One policy sets out comprehensive procedures surrounding the provision of non-audit services by the external auditor. The procedures are also set out in the Committee's Terms of Reference. In line with that policy, the Committee reviewed the level of fees incurred during FY23 for the provision of non-audit services. During FY23, Deloitte provided limited sustainability assurance services on green loan KPI targets which equated to c.0.3% of the overall external audit fee. The Committee was satisfied that the work was best handled by the external auditor because of its knowledge of the Group and the services provided did not give rise to threats to independence. No further non-audit services were provided by Deloitte. See Note 4 to the Group Financial Statements.

The second policy restricts the Group from hiring key members of the external audit team for a specified period post their employment with the external auditor. In addition, any offer to a former employee of the audit firm must be pre-approved by the Committee where the offer is made in respect of a senior executive position. Both policies are circulated to management regularly and reviewed by the Committee on an annual basis. These policies were reviewed and updated in FY23. No former employees of Deloitte to whom the policies would apply were hired by the Group during FY23.

Based on our review of the services provided by Deloitte, and discussion with the lead audit partner, the Committee is satisfied as to the external auditor's effectiveness, independence and objectivity, and, accordingly, it is intended that an advisory resolution will be put to the shareholders at the forthcoming Annual General Meeting in 2024 in relation to the continuation in office of Deloitte as external auditor.

Committee effectiveness

A FY23 review of the operation, performance and effectiveness of the Committee was conducted by way of one-to-one conversations between the Committee Chair and each of the members, supported by an analysis of how the Committee was performing against key areas of its Terms of Reference. A performance evaluation discussion took place at the meeting in September 2023. The review confirmed that the Committee continues to operate effectively and efficiently and has the skills and expertise required in order to perform its role appropriately. The Committee agreed to continue focus on risk matters and internal controls for FY24.

I would like to extend my thanks to my Committee colleagues for their work and support during the year. The Committee will continue to provide quality disclosures on its activities.

Alastair Murray
On behalf of the Audit and Risk Committee
27 November 2023

Report on Directors' Remuneration

REPORT ON DIRECTORS' REMUNERATION

"FY23 has been a year of significant leadership change and, acknowledging the challenging environment in which the Group has operated, the Committee commends the Group Executive Team on its strong and stabilising performance during the year."

Dear Shareholder,
On behalf of my colleagues on the Remuneration Committee (the 'Committee') and the Board, I am pleased to present the Committee's Report on Directors' Remuneration (the 'Report') which comprises the Annual Report on Remuneration for the financial year ended 29 September 2023 ('FY23') and, on pages 90 and 91, our Remuneration at a Glance section, to bring added clarity and simplicity to the Report.

At our AGM in January 2023, we submitted our 2023 Remuneration Policy (the 'Policy') to shareholders for approval in accordance with the three-year timeframe set out in the UK Directors' Remuneration Reporting Regulations. We are pleased to note that, at the AGM, the Policy was approved and supported by 96.55% of our shareholders by way of an advisory vote. In the interests of succinct reporting, the Policy is not reproduced in this Report but can be found on our website at www.greencore.com.

At the outset of this year's Report, I would like to acknowledge the significant amount of change the organisation has seen in the last year. In addition to a new Chief Executive Officer ('CEO'), Dalton Philips, we will shortly have a new Chief Financial Officer ('CFO') and it is important at this juncture to note that, mindful of changes to the Group that have occurred in recent years, including for example the refocus on the UK market and our core businesses, the Committee has reset Executive Director remuneration to reflect the present operations of the Group. Consequently, the FY23 base salary for Dalton Philips of €700,000 and the FY24 base salary of €400,000 for incoming CFO, Catherine Gubbins, each represent an 18% decrease on those of their predecessors. In addition, the annual bonus and LTIP opportunities have been revised downwards (as set out on page 91). The Chair's additional fee was also rebased and decreased by 30%, on Leslie Van de Walle's appointment. We believe that the Committee has taken the appropriate action, given the factors outlined above, and naturally reserves the ability to reconsider Executive Director remuneration in light of future changes to those factors and in accordance with the Policy.

Overall performance and context
The Group has delivered strong performance in FY23, operating through a highly inflationary and difficult trading environment for consumers. Dalton Philips has been instrumental in leading the Group Executive Team and wider management in delivering the strong outturn. In evaluating the outcome of its decisions, the Committee was mindful of the impact of the inflationary environment and cost-of-living increases on stakeholders, in particular our colleagues.

Executive Director changes in FY23
On 17 April, it was announced that Emma Hynes would be stepping down from her role as Executive Director and CFO following the release of the Group's half-year results in May.

Emma agreed to remain in the business for a transition period to ensure a smooth succession process and to provide continuity in light of the significant amount of change during the year and, accordingly, the Committee deemed it appropriate to grant Emma 'good leaver' status. The Group's post-employment shareholding policy continues to apply.

On 5 September, the Group announced that Catherine Gubbins had been appointed to the role of Executive Director and CFO and would take up her role in early 2024. Catherine will join on an annual salary of €400,000 and is eligible to receive a pension contribution of 8% of salary, in line with the pension contribution currently available to the wider colleague base. For FY24, Catherine will be eligible to receive a performance-related bonus of up to 120% of salary and a FY24 PSP award with a face value of 150% of salary (within the Policy maximum of 200% of salary).

Remuneration in FY23
Annual Bonus Plan ('ABP')
The FY23 ABP was based 50% on Adjusted Operating Profit ('AOP'), 25% on Free Cash Flow ('FCF') and 25% on personal and strategic objectives. Despite the challenging operating environment of FY23, and the backdrop of sustained high inflation levels, the Company delivered a strong AOP outturn, above the on-target level set at the start of the year. FCF performance was also strong and exceeded the maximum performance level set at the start of the year.

The CEO's personal and strategic objectives focused on Dalton's transition into the role of CEO, creating a cohesive and aligned Group Executive Team, building relationships with the Group's stakeholders and resetting the Group's strategy. In addition, Dalton was assessed on the Group's key pillars of sustainability, and inclusion and diversity.

Taking into account his strong performance and delivery in relation to these objectives, the Committee assessed the overall ABP payout for Dalton Philips to be 82% of maximum. The CFO's personal and strategic objectives focused on supporting the leadership transition, in particular providing significant support to Dalton, strategic and financial objectives focusing on deleveraging the balance sheet, inflation recovery and profitability, while also being assessed on environmental, social and governance ('ESG') data methodology and collection and helping develop and embed the Group's new risk management framework. Taking strong performance and delivery into account, particularly in relation to transition support, the Committee assessed the overall ABP payout for Emma Hynes to be 79% of maximum. Further details are set out on pages 96 to 99.

Performance Share Plan ('PSP')

The FY21 PSP, while departing from the approach of previous years, was designed to reinforce the delivery of the strategy and shareholder value, in what was a very uncertain and constantly changing external environment at the time. Notwithstanding the Group's resilient performance over what was a challenging performance period, the first tranche of the FY21 PSP (carrying a 15% weighting) lapsed in full in FY22. The second tranche (carrying a 25% weighting) also did not achieve its performance target and lapsed in full in FY23. The third and final tranche (carrying a weighting of 60%) is still in flight at the date of this Report, but its performance period is substantially completed. Based on performance to the date of signing this Report, this third tranche of the award is also expected to lapse in full.

Remuneration in FY24

As noted above, the Committee considers the Policy approved by shareholders at the 2023 AGM to be appropriate in supporting the Group's strategy, and that it remains aligned with shareholders' interests and reflects evolving best practice and regulatory developments. In considering Executive Director remuneration for FY24, the Committee remained mindful of the broader context (including external market conditions and the Group's operating environment) in addition to the Group's internal pay policies and practices. The Committee also considered actions being taken by management to support our wider colleague base through the prevailing inflationary environment and ongoing cost-of-living pressures, and actions taken and being taken in relation to sustainability, and inclusion and diversity.

Salary

Following a review of relevant market data, we have agreed an increase in salary for the CEO of 3.5%. This increase is effective from 1 October 2023 and will be lower than the average increase to be awarded across the wider workforce (which will be determined in January 2024 and backdated to 1 October 2023).

ABP

The ABP opportunity will be 150% of salary for the CEO and, as noted above, 120% of salary (pro rated for FY24) for the incoming CFO. The financial element of the ABP (75% of the opportunity) will remain based on a combination of Adjusted Operating Profit (weighted 50%) and Free Cash Flow (weighted 25%), with the remaining 25% of the opportunity linked to personal and strategic objectives. For FY24, this element will continue to include objectives linked to our Sustainability Strategy and inclusion and diversity. Performance for each element will be measured over the full year. The targets and the associated outturn will be disclosed in the FY24 Annual Report on Remuneration, in line with prior practice.

PSP

The FY24 PSP opportunity for the CEO is 175% of salary and for the CFO is 150% of salary (within the Policy maximum of 200% of salary), with vesting based on performance over the three-year performance period against three equally weighted measures. The measures will remain unchanged from those employed for the FY23 awards: Adjusted Earnings per Share ('Adjusted EPS'), relative TSR (against our tailored comparator group), and Return on Invested Capital ('ROIC'). The targets for the FY24 award are disclosed on page 102.

Pension

Pension contributions, at 8% of base salary for the Executive Directors, remain in line with rates available to the wider workforce.

Concluding remarks

FY23 has been a year of significant leadership change and, acknowledging the challenging environment in which the Group has operated, the Committee commends the Group Executive Team on its strong and stabilising performance during the year.

I would like to thank shareholders and proxy advisers for their support of our new Policy at the 2023 AGM. The Committee believes that our approach to remuneration in FY23 and for FY24 supports the continued objective of driving the Group's performance while recognising the wider stakeholder experience, and I hope our efforts will be reflected in your support at the 2024 AGM.

Finally, I would like to thank my fellow members on the Committee and the wider Board for their valuable contribution to the remuneration agenda during FY23.

Linda Hickey
On behalf of the Remuneration Committee
27 November 2023

Business performance highlights

- Group reported revenue increased 10.0%, with overall manufactured volume growth of 0.5%, ahead of market growth.
- Adjusted Operating Profit up 5.7% to £76.3m with Adjusted Operating Margin of 4.0%.
- Adjusted EPS of 9.3 pence, a 1.1% increase on prior year.
- As at the end of FY23, the Group had returned £35m of the intended £50m return of capital as announced in May 2022. In October 2023, the Group announced a further £15m share buyback programme reflecting the strength of the balance sheet and confidence in future prospects.
- New five-year £350m sustainability-linked revolving credit facility agreed post year-end providing significant financial flexibility for future growth.

Report on Directors' Remuneration continued

Remuneration at a glance

The purpose of this section is to provide an overview of the Group's performance in FY23, as well as the remuneration received by our Executive Directors. Full details can be found in the Annual Report on Remuneration on pages 94 to 106.

The 2023 Remuneration Policy ('Policy') was approved by an advisory shareholder vote at the AGM of the Company held on 26 January 2023. The Policy took effect from the date of the AGM and will apply for a period of up to three years.

Remuneration principles

The following principles are drawn from Provision 40 of the 2018 UK Corporate Governance Code (the 'Code') and remain the Committee's framework to guide remuneration decisions:

Principle/Provision 40 pillar	In action
Alignment and fairness – *alignment to culture*	• Linking variable remuneration to key pillars of success for Greencore; • Applying the same high-level remuneration principles consistently to all colleagues across the Group; • To the extent possible, offering share plans to all eligible colleagues; • Operating shareholding guidelines (including for a period post-employment), bonus deferral and a post-vesting holding period for Executive Directors' PSP awards to ensure alignment with shareholders and long-term performance; and • Keeping shareholder value creation and the stakeholder context in sharp focus.
Pay-for-performance – *risk* – *predictability* – *proportionality*	• Setting targets that are appropriately stretching and vesting levels that are reflective of the shareholder experience; • Avoiding reward for mediocre performance; and • Ensuring personal and strategic objectives are defined, accurately assessed and clearly communicated.
Transparency and simplicity – *clarity* – *simplicity*	• Communicating clearly and effectively all decisions to shareholders through shareholder engagement in the Annual Report on Remuneration; and • Using a simple incentive structure based on measures that are central to our strategy and business model.

FY23 remuneration outcomes

FY23 Annual Bonus Plan ('ABP')

The annual bonus for FY23 was based on a mix of financial elements (weighted 75% of the bonus) and personal and strategic objectives (weighted 25% of the bonus). The maximum annual bonus opportunity in FY23 was 150% of basic salary for the Chief Executive Officer ('CEO') and Chief Financial Officer ('CFO').

The financial performance targets and actual performance outcomes for FY23 are set out in the table below. Further details on the achievement of personal and strategic objectives are set out on pages 97 to 99.

		Performance targets				
Measure	Weighting (% of total)	Threshold (0% payout)	Target (50% payout)	Maximum (100% payout)	Actual FY23 outturn/ achievement	Resulting bonus outcome
Adjusted Operating Profit	50%	£70.2m	£74.1m	£81.9m	£76.3m	32% out of 50%
Free Cash Flow	25%	£35.2m	£39.3m	£43.5m	£56.8m	25% out of 25%
Financial element	**75%**					**57% out of 75%**
CEO Personal and strategic objectives	25%	See pages 97 and 98 for details				25% out of 25%
CFO Personal and strategic objectives	25%	See page 99 for details				22% out of 25%
Discretion applied by the Committee						n/a
CEO Payout						**82% out of 100% (123% of salary)**
CFO Payout						**79% out of 100% (119% of salary)**

FY21 Performance Share Plan ('PSP')

As previously reported, the FY21 PSP award comprised three tranches, vesting subject to absolute TSR performance over periods of one, two and three years from the date of grant on 8 January 2021. The Year 2 tranche lapsed in full during the year, and, while the Year 3 tranche is still in flight at the date of this Report, the performance period has largely been completed. Based on performance to date, the Year 3 tranche is also expected to lapse in full.

Implementation of the 2023 Remuneration Policy in FY24

Element of pay	Implementation for FY24
Fixed remuneration	
Base salary	Dalton Philips: €724,500 (+3.5% increase). Catherine Gubbins: €400,000, effective on appointment to the Board in early 2024.[1]
Pension	In line with the Policy, Dalton Philips and Catherine Gubbins will each receive a pension contribution of 8% of salary, which is in line with the pension contribution currently available to the wider colleague base.
Benefits	In line with Policy.
Variable pay	
Annual Bonus Plan ('ABP') and Deferred Bonus Plan ('DBP')	150% of salary for the CEO and 120% of salary for the incoming CFO. The performance measures for FY24 are: 50% Adjusted Operating Profit, 25% Free Cash Flow and 25% personal and strategic objectives. 50% of any bonus earned will be deferred into shares for three years under the DBP, consistent with the Policy.
Performance Share Plan ('PSP')	CEO – 175% salary CFO – 150% salary PSP awards will continue to be based on three-year performance against three performance measures: 1/3rd cumulative Adjusted EPS, 1/3rd ROIC and 1/3rd relative TSR vs. a bespoke group of sector peers. PSP awards granted to Executive Directors are subject to a three-year performance period and an additional two-year holding period. Vested awards may not be sold during the holding period except to cover tax liabilities.
Safeguards and risk management	Malus and clawback provisions apply to the ABP and the PSP both prior to vesting and for a period of two years post-vesting. This enables the Company to withhold payment/vesting of any sums and/or recover sums paid on the occurrence of specific trigger events, including but not limited to misconduct, a material misstatement of the Company's audited results, a material failure of risk management, a material breach of health and safety regulations, or serious reputational damage.

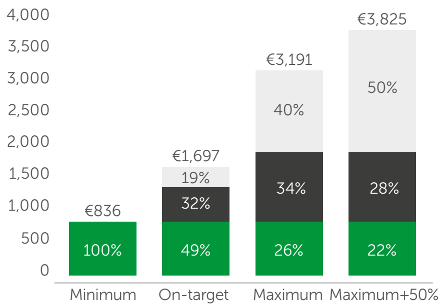
1. For further details on the joining arrangements for Catherine Gubbins, please see pages 101 to 103.

Remuneration opportunities in different performance scenarios

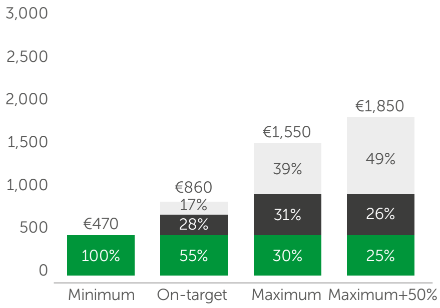
The charts below illustrate the potential future value and composition of the Executive Directors' remuneration opportunities in four performance scenarios: minimum, on-target (i.e. in line with the Company's expectations), maximum, and maximum plus 50% share price appreciation, a scenario where 50% share price appreciation is included in the valuation of the PSP.

The potential remuneration opportunities are based on the 2023 Remuneration Policy, applied to the Executive Directors' base salaries as at 1 October 2023 (or on appointment, if later).

Dalton Philips, CEO (€'000)



Catherine Gubbins[1], CFO (€'000)



Fixed remuneration | Annual bonus | Long-term incentive

The charts above exclude the effect of any Company share price appreciation except in the 'maximum +50%' scenario.

Report on Directors' Remuneration continued

Remuneration at a glance continued

Assumptions

Performance scenario	Includes
Minimum	Salary, pension and benefits ('fixed remuneration') No bonus payout No vesting under the PSP
On-target	Fixed remuneration 50% of maximum annual bonus payout (i.e. 75% and 60% of salary for the CEO and CFO respectively) 25% of maximum vesting under the PSP (i.e. 43.75% and 37.50% of salary for the CEO and CFO respectively)
Maximum	Fixed remuneration 100% of maximum annual bonus payout (i.e. 150% and 120% of salary for the CEO and CFO respectively) 100% of maximum vesting under the PSP (i.e. 175% and 150% of salary for the CEO and CFO respectively)
Maximum+50%	Fixed remuneration 100% of maximum annual bonus payout 100% of maximum vesting under the PSP, plus 50% share price appreciation

1. Catherine Gubbins will join the Board in early 2024. Her actual pay received for FY24 will be pro-rated to reflect the period from appointment. However, full year equivalent data has been shown in the chart above to aid comparison. Further details on her joining arrangements, including the buy-out award made to cover bonus forfeited on leaving her previous employer (which is not included in the scenario chart above), are set out on page 103.

Executive Director service contracts and policy on payments to Executive Directors leaving the Group

Dalton Philips' service contract extends for an indefinite term, though is terminable by either the Company or Dalton upon 12 and six months' notice, respectively. The service contract of Catherine Gubbins (incoming CFO) also extends for an indefinite term and may be terminated by either the Company or Catherine upon a notice period of six months in either case. The service contract between the Company and Emma Hynes (former CFO) required 11 months and three months' notice respectively. The service contracts make provision, at the Board's discretion, for early termination involving payment of salary and other emoluments in lieu of notice. Effective dates of current Executive Director service contracts/commencement of role are as follows:

Executive Director	Date of contract/commencement of current role
Dalton Philips	13 May 2022/26 September 2022
Catherine Gubbins	5 September 2023/early 2024

Full details on the Company's policy on payment for Executive Directors leaving the Group is set out on pages 92 and 93 of the FY22 Annual Report and Financial Statements and details of the leaving arrangements for Emma Hynes are set out on page 101 of this Report.

Non-Executive Director letters of appointment

The Non-Executive Directors have letters of appointment, the terms of which recognise that their appointments are subject to the Company's Articles of Association and their services are at the direction of the shareholders. All Non-Executive Directors submit themselves for election at the AGM following their appointment and, in line with the Company's Articles of Association and the Code, each Director retires at each subsequent AGM and offers him or herself for re-election as appropriate.

Non-Executive Directors are not entitled to any payment in lieu of notice. The letters of appointment are available for shareholders to view at the Company's registered office during normal office hours.

The table below shows the appointment and expiry dates for the Non-Executive Directors:

Name	Effective date of appointment	Expiry of appointment[1,2]
John Amaechi	1 February 2021	25 January 2024
Sly Bailey	17 May 2013	25 January 2024
Linda Hickey	1 February 2021	25 January 2024
Alastair Murray	1 February 2023	25 January 2024
Anne O'Leary	1 February 2021	25 January 2024
Helen Rose	11 April 2018	25 January 2024
Hetal Shah	1 April 2023	25 January 2024
Leslie Van de Walle	1 December 2022	25 January 2024

1. In line with the Company's Articles of Association and the Code, each year at the AGM of the Company each Director retires, and where appropriate offers him or herself for re-election.
2. Should the date of the AGM change, the expiry date of the appointment will change accordingly.

Consideration of wider employee views

The Committee considers pay and employment conditions elsewhere in the Group when determining pay for Executive Directors. The Chief People Officer makes regular presentations to the Committee on the remuneration structures for both weekly paid and salaried colleagues, the salary review process for the wider colleague base as well as benefit and pension arrangements.

In considering base salary increases for Executive Directors, the Committee is mindful of the pay arrangements of the wider workforce and takes into account the Group-wide annual salary review process.

The Board recognises the value of listening to colleagues' views and perspectives on a range of business matters, and has established multiple channels to ensure effective two-way engagement with our wider colleague base. This engagement involves our Workforce Engagement Director, who is also a member of the Committee and who has been designated responsibility for engaging with colleagues and bringing their voice into the boardroom. During FY23, regular cross-functional colleague forums and listening groups have continued across the business. The Workforce Engagement Director attended a cross-functional colleague forum, where open feedback from colleagues on all issues, including remuneration was welcomed. Bi-weekly senior leadership calls also took place, allowing time for business updates and open Q&A sessions where remuneration matters were raised. These engagements allow the opportunity for colleagues to ask questions in relation to remuneration and are fundamental to ensure colleague sentiment is considered.

Consulting with shareholders

The Committee is dedicated to ensuring an open dialogue with shareholders on remuneration matters. The Committee engaged with shareholders and proxy advisory firms when setting the framework for the 2023 Remuneration Policy and was pleased by the strong support received at the 2023 AGM. Whilst no formal engagement activities took place in the current financial year by the Committee, the Committee continues to respond to enquiries from shareholders as they arise and will consult with shareholders ahead of the next policy review or sooner, if required.

Report on Directors' Remuneration continued

Annual Report on Remuneration

The following section sets out our Annual Report on Remuneration ('Report'), outlining decisions made by the Committee in relation to Directors' remuneration in respect of FY23 and how the Committee intends to apply the 2023 Remuneration Policy ('Policy') for FY24.

As set out on page 88, the 2023 Remuneration Policy was approved by shareholders at the Annual General Meeting ('AGM') of the Company held on 26 January 2023. The Annual Report on Remuneration will be subject to an advisory shareholder vote at the AGM to be held on 25 January 2024. Where information has been audited, this has been stated. All other information in this report is unaudited.

Role of the Committee

The Committee's collective role includes ensuring that the Group's remuneration arrangements are aligned with the Group's strategic priorities. The Terms of Reference of the Committee include the determination of the remuneration packages for Executive Directors, the Group General Counsel and Company Secretary and other members of the senior management team, as well as fees for the Board Chair. The Board Chair and the Executive Directors determine the fees for the Non-Executive Directors.

The Terms of Reference for the Committee are reviewed annually, are updated as appropriate and are available under the Governance section of the Group's website, www.greencore.com.

Committee membership

The Committee is currently comprised of four Non-Executive Directors, all of whom are considered by the Board to be independent:

Committee member	Date appointed	Attendance at scheduled Committee meetings during FY23
Linda Hickey	1 February 2021 (Appointed to the Committee and as Committee Chair on 1 February 2021)	3/3
John Amaechi	1 February 2023	2/2
Sly Bailey	1 February 2023	2/2
Paul Drechsler	14 May 2020 (Stepped down from the Committee on 26 January 2023)	1/1
Anne O'Leary	21 June 2022	3/3

Paul Drechsler stepped down from the Board and the Committee on 26 January 2023, with John Amaechi and Sly Bailey joining the Committee on 1 February 2023. I would like to take this opportunity to thank Paul for his valuable contribution to the Committee during his tenure.

The Committee, as a whole, have strong experience on remuneration related matters, gained both from their executive careers and/or from their experience on remuneration and compensation committees of other companies. Further details on the Committee members' qualifications and experience are set out on pages 62 and 63. The Group General Counsel and Company Secretary or their nominee acts as Secretary to the Committee. During the year, the Chief Executive Officer ('CEO'), Chief Financial Officer ('CFO') and the Chief People Officer attended meetings on an ad hoc basis at the invitation of the Committee and provided information and support as requested. However, no individual was present when their own remuneration was being discussed. During FY23, the Committee held three scheduled and two additional unscheduled meetings.

Committee effectiveness

As noted on page 77, a Committee review was undertaken during the year by way of one-to-one conversations between the Committee Chair and each of the members, supported by an analysis of how the Committee was performing against key areas of its Terms of Reference. The review confirmed that the Committee continues to operate effectively and efficiently and has the skills and expertise required in order to perform its role appropriately. The Committee continues to be mindful of the importance of setting stretching targets, which was highlighted as a key area of focus for the Committee in FY23.

Advisors

The Committee's appointed independent advisors during the year were Ellason LLP ('Ellason'). Ellason attends Committee meetings on an ad hoc basis and provides advice on remuneration for Executive Directors, benchmarking analysis, and updates on market developments and best practice. Ellason is a member of the Remuneration Consultants Group and adheres to its code of conduct. The Committee reviews the performance of its advisors annually and is satisfied that Ellason provided independent and objective remuneration advice to the Committee, noting that Ellason does not have any personal connections to Greencore or any individual Director. Services were provided on a time and materials basis. The fees paid to Ellason in respect of work carried out for the Committee in the year under review amounted to £51,154. Ellason did not provide any other services to the Company during the year.

Key activities during the year

During FY23, the Committee held three scheduled meetings, as well as two additional ad hoc meetings. All Committee members attended all scheduled meetings for which they were eligible to attend. Details of attendance at scheduled meetings can be found in the table above. The key activities and matters discussed at Committee meetings during FY23 included:

- reviewing the external remuneration landscape generally and considering best practice corporate governance;
- approval of opportunities/award levels and performance targets for the FY23 Annual Bonus Plan ('ABP') and Performance Share Plan ('PSP') awards;

- reviewing and approving performance and outturns under the FY22 ABP and Tranche 2 of the FY21 PSP (which lapsed in full during FY23);
- reviewing and approving the FY22 Report on Directors' Remuneration and the proposed 2023 Remuneration Policy;
- approving the remuneration arrangements for the outgoing CFO; recommending to the Board the fee arrangements for the Interim CFO role; and approving the remuneration arrangements for the incoming CFO;
- reviewing workforce remuneration structures, pensions and the salary review process;
- reviewing the Irish and UK ShareSave Schemes' activities;
- incorporating ESG objectives appropriately in the remuneration framework; and
- reviewing the Committee's Terms of Reference and the Committee's effectiveness.

Shareholder voting

The table below shows the voting outcome of the resolutions proposed at the 2023 AGM in relation to the FY22 Annual Report on Remuneration and the 2023 Remuneration Policy.

Resolution	For	Against	Total votes cast	Votes withheld
FY22 Annual Report on Remuneration	96.43%	3.57%	308,078,767	69,970
2023 Remuneration Policy	96.55%	3.45%	308,087,335	61,402

Single figure of total remuneration for Executive Directors (audited)

The following table sets out the single figure of total remuneration for Executive Directors for FY23 and FY22.

		Salary ('000)	Pension ('000)	Benefits[2] ('000)	Total fixed ('000)	Annual bonus – cash[3] ('000)	Annual bonus – deferred share award[3] ('000)	PSP[4] ('000)	Total variable ('000)	**Total remuneration ('000)**	**Total fixed vs. Total remuneration**	**Total variable vs. Total remuneration**
Dalton Philips	FY23	€ 700	€ 56	€ 54	€ 810	€ 431	€ 431	–	€ 862	**€ 1,672**	**48%**	**52%**
	FY22	€ 13	€ 1	€ 1	€ 15	–	–	–	–	**€ 15**	**100%**	**0%**
Emma Hynes[1]	FY23	€ 327	€ 26	€ 26	€ 379	€ 388	€ 0	€ 0	€ 388	**€ 767**	**49%**	**51%**
	FY22	€ 476	€ 38	€ 38	€ 552	€ 165	€ 165	€ 0	€ 330	**€ 882**	**63%**	**37%**

1. Emma Hynes stepped down from her role as Executive Director and CFO on 31 May 2023. Her FY23 remuneration relates to the period 1 October 2022 to 31 May 2023.
2. Benefits include car allowance as well as medical insurance.
3. Dalton Philips was awarded an annual bonus of 82% of the maximum opportunity for FY23, of which 50% is to be deferred in shares for three years. Emma Hynes was awarded an annual bonus of 79% of the maximum opportunity for FY23, all of which is to be paid in cash. Further detail is set out on page 99.
4. The performance period for the Year 3 tranche of the FY21 PSP ends on 8 January 2024. As at the date of this Report, the minimum performance hurdle for the Year 3 tranche is not expected to be achieved, therefore an estimated vesting figure of 0% has been included. Dalton Philips did not participate in the FY21 PSP grant.

Report on Directors' Remuneration continued

Annual Report on Remuneration continued

Single figure of total remuneration for Non-Executive Directors (audited)

The following table sets out the single figure of total remuneration for Non-Executive Directors in FY23 and FY22.

		Base fee	Additional fees[1]	Total fees
John Amaechi	FY23	€78,000	–	€78,000
	FY22	€78,000	–	€78,000
Sly Bailey (Senior Independent Director)	FY23	€78,000	€16,500	€94,500
	FY22	€78,000	€16,500	€94,500
Paul Drechsler[2]	FY23	€25,113	–	€25,113
	FY22	€78,000	–	€78,000
Linda Hickey (Chair of the Remuneration Committee)	FY23	€78,000	€12,000	€90,000
	FY22	€78,000	€12,000	€90,000
Gary Kennedy (former Board Chair)[3]	FY23	€26,000	€78,640	€104,640
	FY22	€40,195	€253,892	€294,087
Alastair Murray (Chair of the Audit and Risk Committee)[4]	FY23	€52,000	€11,000	€63,000
Anne O'Leary	FY23	€78,000	–	€78,000
	FY22	€78,000	–	€78,000
Helen Rose (Chair of the Sustainability Committee)[5]	FY23	€78,000	€6,666	€84,666
	FY22	€78,000	–	€78,000
Harshitkumar (Hetal) Shah[6]	FY23	€39,000	–	€39,000
Leslie Van de Walle (Board Chair and Chair of the Nomination and Governance Committee)[7]	FY23	€65,000	€143,333	€208,333
Helen Weir (Chair of the Audit and Risk Committee)[8]	FY23	€19,500	€4,125	€23,625
	FY22	€78,000	€16,500	€94,500

1. As set out in the 2023 Remuneration Policy if a Non-Executive Director holds two additional roles, the additional fee is capped at the higher additional fee. Therefore, in FY23 the additional fee payable to Leslie Van de Walle, Board Chair, was capped at his Board Chair fee. In FY22, Sly Bailey's additional fee was capped at her fee for acting as Senior Independent Director.
2. Paul Drechsler stepped down from the Board and as Non-Executive Director on 26 January 2023. Paul's FY23 fees relate to the period 1 October 2022 to 26 January 2023.
3. Gary Kennedy stepped down from his role as Board Chair and Non-Executive Director on 26 January 2023. The FY22 figures report only the fees paid to Gary Kennedy in his capacity as Non-Executive Chair from 25 September 2021 to 30 March 2022 and from 26 September 2022 to 30 September 2022. The remuneration he received in relation to his temporary Executive Chair role from 31 March 2022 to 25 September 2022 is set out on page 98 of the FY22 Annual Report and Financial Statements.
4. Alastair Murray was appointed to the Board as Non-Executive Director and Chair of the Audit and Risk Committee on 1 February 2023. Alastair's FY23 fees relate to the period 1 February 2023 to 29 September 2023.
5. Helen Rose was appointed Chair of the Sustainability Committee on 1 February 2023. Helen's FY23 additional fee relates to the period 1 February 2023 to 29 September 2023.
6. Hetal Shah was appointed to the Board and as Non-Executive Director on 1 April 2023. Hetal's FY23 fees relate to the period 1 April 2023 to 29 September 2023.
7. Leslie Van de Walle was appointed to the Board as Non-Executive Director and Chair Designate on 1 December 2022, as Board Chair on 26 January 2023 and Chair of the Nomination and Governance Committee on 1 February 2023.
8. Helen Weir stepped down from the Board as Non-Executive Director and Chair of the Audit and Risk Committee on 31 December 2022.

Notes to the single figure table (audited)

Base salary

The FY23 salaries were €700,000 for Dalton Philips (set on appointment on 26 September 2022) and €490,280 for Emma Hynes (which was pro-rated for the period served from 1 October 2022 to 31 May 2023).

Pension

Dalton Philips and Emma Hynes received a pension contribution equivalent to 8% of salary, which remains in line with the contribution to the wider colleague base. Emma Hynes' pension contribution was prorated for the period served.

FY23 Annual Bonus Plan ('ABP')

The maximum bonus opportunity for Dalton Philips and Emma Hynes in FY23 was 150% of salary. The annual bonus is based on the achievement of stretching short-term financial targets (75% of maximum bonus opportunity) as well as personal and strategic objectives (25% of maximum bonus opportunity). The mix of measures reflects the Committee's aim of providing an appropriate balance between incentivising the achievement of key financial targets and specific personal and strategic objectives.

Performance targets and outturns are set out in the tables overleaf. Both Adjusted Operating Profit and Free Cash Flow are Group KPIs referred to as an Alternative Performance Measure ('APM'). APMs are non-IFRS measures and are used to monitor the performance of the Group's operations and of the Group as a whole. Definitions and reconciliations to IFRS measures are provided in the APMs section on pages 177 to 181.

Group financial objectives FY23 (75% weighting)

Measure	Performance targets[1] Threshold (0% payout)	Target (50% payout)	Maximum (100% payout)	Actual outturn/ achievement	% payout of bonus
Adjusted Operating Profit (50%)	£70.2m	£74.1m	£81.9m	£76.3m	32%
Free Cash Flow (25%)	£35.2m	£39.3m	£43.5m	£56.8m	25%

1. There is a straight-line scale between threshold and target, and between target and maximum.

The financial targets were set at the start of the financial year, taking into account budget and broker forecasts and the likely headwinds posed by the volatile inflation environment, and the impact of cost-of-living factors and continued industrial action on consumer demand. The targets were considered to be stretching in the context of the difficult and volatile market backdrop.

In keeping with the Committee's usual practice, the formulaic outcome for the financial element of the FY23 ABP was reviewed in the context of the stakeholder experience and wider performance context for the Group over the course of the year.

As a result, and to ensure that the bonus continues to drive and reward the right behaviours as well as performance, the Committee decided not to make any adjustments to the formulaic outcome of the financial element for the FY23 ABP.

CEO FY23 personal and strategic objectives (25% weighting)

The CEO's personal and strategic objectives for FY23 comprised three categories aligned to short-term priorities and non-financial KPIs for the Group, and reflected this being the CEO's first year in role. The table below describes the objectives set and the Committee's assessment of these:

Objective(s) set	Met? No	Partly	Fully	Commentary
First year in role – CEO transition (10.0%)				
Create a winning, cohesive and aligned Group Executive Team who champion (and model) Greencore values.			✓	Significant work has been undertaken in the year to reshape the Group Executive Team to drive the Group forward and deliver improved performance (including delivery against budget in FY23). Dalton has introduced strong stewardship and ensured commitments were delivered by the team. A robust platform is now established from which to set the 'tone from the top', as well as shared objectives and key milestones linked to succession planning. The quality of the team restructure is evidenced by material improvements in all questions relating to senior leaders in our Pulse Engagement Survey for colleagues.
Lead the reset of, and develop, Group strategy.			✓	In response to direct feedback from key stakeholders to focus initially on short-term operational delivery, the CEO reviewed and clearly prioritised, within three months of joining, key near-, medium-, and long-term strategy interventions (Horizons 1, 2 and 3). Driving a collective focus on Horizon 1 interventions has underpinned delivery of the Group's positive financial performance in FY23. The CEO also led a strategic review and developed a plan, approved by the Board in April, to deliver ROIC > Weighted Average Cost of Capital ('WACC') across the business and underpin the Group's aspiration to rebuild profitability in the medium-term.

Report on Directors' Remuneration continued

Annual Report on Remuneration continued

Objective(s) set	Met? No	Met? Partly	Met? Fully	Commentary
Build strong and effective relationships and engagement with key stakeholders (shareholders, customers, suppliers, consumers, colleagues and communities).			✓	The Board has been very pleased with the CEO's investment in key stakeholder relationships during this first year in the role. Key deliverables included a schedule of regular meetings with key customers and the Board, and being highly visible to Greencore colleagues at all levels. In assessing the CEO's performance under this element, the Committee took into account direct feedback from the Board Chair and feedback from our Pulse Engagement Survey as well as leadership and colleague forums sessions held during the year. Colleagues were particularly positive about improved performance reporting.
Inclusion and diversity (7.5%)				
Set, sponsor, launch and communicate Group targets.			✓	The CEO led a full review of the Group's inclusion and diversity programme during the year. Internal 2028 ambitions were agreed and launched across gender, ethnicity and age, based on which a phased annual milestone plan is now being finalised. In addition to this primary objective, other key achievements included: • a 6% increase in the number of colleagues that would recommend Greencore as a place to work based on results of our Pulse Engagement Survey; • roll-out of training in bias and ethical recruitment with participation exceeding the target level set; • launch of our first Group Menopause Policy; and • provision of free feminine hygiene products to colleagues across the business, in response to colleague feedback.
Sustainability (7.5%)				
Actively sponsors the *Better Future Plan* across the business with particular focus on our prioritised areas.			✓	Recognising the importance of sustainability to the Group's strategy, Dalton instilled a renewed passion in this area across the Group. Dalton led a full reset of the Group's sustainability roadmap in FY23, to establish a platform from which to drive future improvement in key metrics in four key priority areas. Key achievements included: • a complete review of the Group's Sustainability Strategy, to reassess its relevance and viability; • targets for key focus areas validated internally and approved by the Sustainability Committee; • roadmaps established for delivery against four priority areas; • establishing clarity of ownership and accountability for key project milestones; and • introducing a programme of upskilling sessions and quarterly progress updates sponsored by the Group Executive Team, to sharpen focus on this key pillar for Group success going forward.
Total achievement 25% out of 25%				

CFO FY23 personal and strategic objectives (25% weighting)

Objective(s) set	Met? No	Met? Partly	Met? Fully	Commentary
Organisational and transition (7.5%)				
Support the leadership transition and help create a winning, cohesive and aligned Group Executive Team modelling Greencore values. Following announcement of departure from Greencore, provide continuity in execution and transitional support until stepping down from the Board.			✓	Emma provided significant support to the incoming CEO to support transition and help reshape the Group Executive Team during FY23 to drive the Group forward and deliver improved performance. Emma supported continuity and contributed effectively to Group Executive Team and Group Finance team leadership to ensure ongoing delivery of team objectives and effective transition, including for the period after the announcement of her departure from Greencore until she stepped down from the Board.
Strategic and financial (7.5%)				
Focus on deleverage, balance sheet strengthening and inflation recovery as well as a focus on profitability rebuild to support Group's strategy and future growth aspirations.		✓		Emma reviewed and prioritised key near, medium and long term strategy interventions (Horizons 1, 2 and 3) with particular focus on Horizon 1 to help achieve the Group's positive financial performance in FY23. These included: • delivered a number of the objectives set, continued to drive strong focus to underpin good outcomes on balance sheet strength and inflation recovery; and • supported the CEO, on rebuilding returns across the business to support the Group's aspiration to rebuild profitability in the medium term.
Sustainability and risk (10%)				
Embed improved risk management processes and co-sponsoring the *Better Future Plan* in our prioritised areas.		✓		Supported the full reset of the Group's Sustainability Strategy in FY23, in particular: • continued progress made during the year in driving forward our agenda though objectives not met in full as work continues to improve ESG data methodology and collection; • continued progress made embedding the risk agenda, supporting the refreshment of the Risk Oversight Committee and development of the new risk management framework; • ensure ESG data methodology and collection process is robust, including the deployment of an Internal Audit review, to support the Group's Sustainability Strategy; and • further embed risk management as part of emerging organisation design, increasing the profile of, and accountability for, risk management within functional teams.
Total achievement 22% out of 25%				

Outcomes and discretion

As described above, the Committee carefully assessed the performance of the Executive Directors during their respective tenures in FY23 against the personal and strategic measures set, in line with normal practice. As a result of the performance and valued contribution of each of the CEO and former CFO, and the extent to which they delivered against these objectives, the Committee determined that this element should payout at 100% and 88% (i.e. 25% and 22% of the maximum bonus opportunity) for the CEO and former CFO, respectively.

Overall, the formulaic assessment of targets warranted a bonus payout of 82% and 79% of maximum for the CEO and former CFO, respectively.

The Committee then reviewed this outcome in the context of the Group's underlying performance and the stakeholder experience more generally. In determining that the formulaic outcome was appropriate (and that no exercise of discretion was necessary to adjust the ABP payout for these broader considerations), the Committee took into account Greencore's operational and commercial performance against key elements of its strategy during the year, whilst remaining mindful of colleagues' experience (further details on which are set out on page 18 to 21). The Committee concluded that the formulaic outcome appropriately reflected that good performance outcomes had been delivered and the right behaviours demonstrated in doing so; aligning with our corporate values, and our remuneration principles of 'pay-for-performance' and 'alignment and fairness'.

Report on Directors' Remuneration continued

Annual Report on Remuneration continued

Long term incentives

FY21 PSP awards

Emma Hynes received awards under the FY21 PSP as set out in the table below. As Dalton Philips joined the Board at the end of FY22, he did not participate in the FY21 PSP grant.

Executive Director	Date of grant	Number of awards granted	Share price on date of grant[1]	Face value on grant	Awards as % of annualised salary[2]	Vesting date[3]	Holding period expiry
Emma Hynes	8 January 2021	523,620	£1.122	£588k	c.137%	See footnote	8 January 2026

1. Average share price for the three days commencing on 5 January 2021.
2. Calculated based on full eligible FY21 salary and the face value on grant, which has then been converted into euro using the exchange rate for the date of grant of £1:€1.11.
3. 15% of the awards were due to vest on 8 January 2022 (Tranche 1), 25% on 8 January 2023 (Tranche 2) and 60% on 8 January 2024 (Tranche 3). Awards may be sold only to cover tax liabilities. Any shares vesting (net of tax) must be held until the fifth anniversary of grant. Tranche 1 and Tranche 2 have lapsed.

Vesting of Tranche 3 requires the average Return Index ('RI') for the month preceding the third anniversary of grant to meet or exceed 291 pence per share. RI is calculated taking into account share price growth and dividends (assumed to be reinvested on the ex-dividend date) over the relevant performance period.

Vesting of the awards is also subject to two underpins being met. The number of shares vesting will be reduced by 50% if the Group's relative TSR performance is below the median of its TSR comparator group over the relevant performance period. In addition, a discretionary assessment of Greencore's underlying performance will be undertaken by the Committee. Details of the TSR comparator group and factors that may be considered when assessing the performance underpin are set out on page 100 of the FY21 Annual Report and Financial Statements. Any shares that vest will be required to be held until the fifth anniversary of grant, ensuring alignment with long-term shareholders and the delivery of sustainable long-term returns. Tranche 3 is expected to lapse in January 2024.

FY23 PSP awards

Dalton Philips and Emma Hynes received awards under the FY23 PSP as set out in the table below.

Executive Director	Date of grant	Number of awards granted[1]	Share price on date of grant[2]	Face value on grant	Awards as % of salary	Vesting date	Holding period expiry
Dalton Philips	8 December 2022	1,548,767	£0.6818	£1,056k	175%	8 December 2025	8 December 2027
Emma Hynes	8 December 2022	929,791	£0.6818	£633k	150%	8 December 2025	8 December 2027

1. Calculated based on FY23 salary and the award level as a % of salary, which has then been converted into a number of shares using an average share price and exchange rate for the three days commencing 29 November 2022.
2. Average share price for the three days commencing 29 November 2022.

The performance measures are Adjusted EPS, ROIC and relative TSR. Performance will be assessed over the period FY23 to FY25. Full details of the performance targets are summarised below:

Measure	Weighting (% of award)	Below threshold (0% vesting)	Threshold (25% vesting)	Maximum (100% vesting)
Cumulative Adjusted EPS (FY23 + FY24 + FY25)	1/3rd	Below 29.2p	29.2p	32.2p
FY25 ROIC	1/3rd	Below 9.5%	9.5%	10.5%
Relative TSR vs. bespoke group of sector peers[1]	1/3rd	Below median	Median	Upper quartile

1. A.G.Barr; Bakkavor; Britvic; Carr's; Cranswick; Devro; Glanbia; Greggs; Hilton Food; Kerry Group; Premier Foods; and SSP Group.

As in previous years, the Committee will consider the underlying financial performance of the business as well as the value added to shareholders in adjudicating the final PSP vesting level.

As noted on page 104 of Greencore's FY22 Annual Report and Financial Statements, in setting the adjusted EPS and ROIC ranges, the Committee remained mindful about setting targets to be stretching (to reinforce alignment with stakeholder interests and incentivise outperformance) as well as relevant and motivational in the context of the prevailing external market environment. As in previous years, the Committee will review vesting levels at the conclusion of the performance period to ensure they reflect the underlying performance of the business, the value added to shareholders and to avoid any undue windfall gains for participants. The award will vest three years from the date of grant, subject to meeting the performance conditions and continued employment, and a two-year holding period will apply post vesting. Malus and clawback provisions will apply both prior to vesting and for a period of two years post-vesting, and vested awards may not be sold during the two-year holding period post-vesting except to cover tax liabilities.

Deferred Bonus Plan ('DBP') awards granted in FY23

The following deferred bonus shares were awarded to Emma Hynes during FY23. The award relates to the bonus awarded for performance during FY22.

Executive Director	Date of grant	Number of awards granted[1]	Share price on date of grant[2]	Face value on grant	Vesting date
Emma Hynes	8 December 2022	208,754	£0.6818	£142k	8 December 2025

1. Calculated based on the euro value of 50% of the bonus earned for FY22, which has then been converted into a number of shares using an average share price and exchange rate for the three days commencing 29 November 2022.
2. Average share price for the three days commencing 29 November 2022.

Payments for loss of office

Emma Hynes stepped down as Executive Director and CFO on 31 May 2023, and will leave the Group on 17 March 2024. Prior to her departure, Emma will continue to receive salary, benefits and pension payments for the duration of her contractual notice period in line with the 2023 Remuneration Policy. No other payments have been, or will be, made in connection with Emma's cessation of office.

As explained in the Chair's opening letter, Emma was treated as a good leaver under the Company's incentive plans and was considered eligible for an annual bonus for FY23. The value of the bonus earned by Emma in relation to the period of FY23 for which she served as Executive Director is disclosed in full in the single figure of total remuneration table on page 95. Emma will not be eligible to participate in the FY24 ABP.

Emma's outstanding PSP awards will be pro-rated to reflect her employment during the vesting period. Based on a review of performance, no awards are expected to vest to her under the FY21 PSP (Tranche 3). The FY22 and FY23 PSP awards will be pro-rated for time served, and these awards will continue to vest on the normal vesting date, subject to the performance targets being achieved. The two-year post-vesting holding period will continue to apply to awards vesting. Emma's outstanding DBP awards were released to Emma shortly after she stepped down from the Board. These remain subject to the post-employment shareholding requirement, whereby their sale is prohibited for two years (other than to cover the tax liability arising on vesting). Further details of her outstanding share awards on the date Emma ceased to be an Executive Director are set out on page 104.

All payments that relate to Emma's service as an Executive Director were in line with the Company's remuneration policy, and otherwise consistent with her service agreement and statutory employment rights, as well as the terms applying to her outstanding incentive awards. In addition to the payments set out in the single figure table on page 95, the aggregate value of fixed pay and bonus payable to Emma for the period from 1 June to 29 September 2023 (as described above) was €415,554.

Payment to past Directors

Other than the payments detailed above, no payments were made to past Directors during the year under review.

Implementation of the 2023 Remuneration Policy in FY24

Executive Director remuneration in FY24

A summary of how the 2023 Remuneration Policy will be implemented in FY24 is set out below.

Base salary

As set out on page 89, the Committee agreed that it would be appropriate to award a 3.5% salary increase to Dalton Philips. This increase is effective from 1 October 2023 and will be lower than the average increase to be awarded across the wider workforce (which will be determined in January 2024 and backdated to 1 October 2023).

The FY24 salaries are as follows:

Executive Director	Salary from 1 Oct 2023	Salary from 1 Oct 2022	Percentage increase
Dalton Philips	€724,500	€700,000	3.5%
Catherine Gubbins	€400,000[1]	–	–

1. Salary is effective from the formal date of appointment to the Board in early 2024.

Report on Directors' Remuneration continued

Annual Report on Remuneration continued

Pension and benefits

Dalton Philips and Catherine Gubbins will receive a pension contribution of 8% of salary, which is in line with the pension contribution currently available to the wider colleague base.

Annual Bonus Plan ('ABP')

The ABP will be based 75% on stretching financial performance targets and 25% on personal and strategic objectives.

The financial performance element will be split between Adjusted Operating Profit (weighted 50%) and Free Cash Flow (weighted 25%). The targets for FY24 have been set based on full year performance and have been set with reference to budget as well as broker forecasts and other external considerations. The targets for FY24 are considered commercially sensitive but will be disclosed in full on a retrospective basis in next year's Annual Report on Remuneration.

The remaining 25% of the bonus is based on personal and strategic objectives to help ensure a continued focus on the short and medium term objectives that are most critical to the successful delivery of the strategy and long-term sustainable performance of the Group. For FY24, this element will again include objectives specifically linked to sustainability and inclusion and diversity.

The outcomes of both the financial and non-financial KPIs will be considered by the Committee when determining the overall level of bonus payable, and the Committee retains discretion to adjust the outcomes to take into account the wider stakeholder context.

The maximum opportunity for FY24 remains unchanged at 150% of salary for Dalton Philips. The maximum bonus opportunity for Catherine Gubbins has been set at 120% of salary. The FY24 annual bonus for Catherine Gubbins will be pro-rated to reflect the period from appointment. A minimum of half of any bonus will be deferred in shares, vesting after three years subject to continued employment. Both the cash bonus and deferred share awards are subject to malus and clawback provisions.

Long term incentive

Dalton Philips will receive an award in FY24 at 175% of salary and Catherine Gubbins will receive an award in FY24 at 150% salary (to be granted shortly after joining the Board).

The performance measures will continue to be Adjusted EPS, ROIC and relative TSR, as the Committee believes these to be the most appropriate measures for the next three-year cycle of growth and returns in the business. Performance will be assessed over the period FY24 to FY26. As in previous years, the Committee will also consider the underlying financial performance of the business (as well as the value added to shareholders) in adjudicating the final overall PSP vesting level.

Measure	Weighting (% of award)	Below threshold (0% vesting)	Threshold (25% vesting)	Maximum (100% vesting)
Cumulative Adjusted EPS (FY24 + FY25 + FY26)	1/3rd	Below 32.8p	32.8p	36.5p
FY26 ROIC	1/3rd	Below 11.8%	11.8%	13.7%
Relative TSR vs. bespoke group of sector peers[1]	1/3rd	Below median	Median	Upper quartile

1. Performance will be assessed over the period FY24 to FY26, relative to the following bespoke group of sector peers: A.G.Barr; Bakkavor; Britvic; C&C; Carr's; Cranswick; Glanbia; Greggs; Hilton Food; Kerry Group; Premier Foods; SSP Group and Tate & Lyle. C&C and Tate & Lyle have been added to the TSR comparator group for the FY24 cycle, to ensure that it remains robust (following acquisitions in recent years of Total Produce and Devro) and relevant.

The award will vest three years from the date of grant, subject to meeting the performance conditions and continued employment, and a two year holding period will apply post vesting. Malus and clawback provisions will apply both prior to vesting and during the holding period. Vested awards may not be sold during the two-year holding period post vesting except to cover tax liabilities.

Non-Executive Director fees in FY24

Non-Executive Director fees are determined by the Board Chair and the Executive Directors, with the exception of the fee for the Board Chair, which is determined by the Committee. Basic fees shall not exceed the limit as set out in the Articles of Association and approved by shareholders. The fees for the Board Chair were reviewed in 2022, during the recruitment process for the new Board Chair. The fees for Non-Executive Directors were reviewed in November 2023, with no changes made. The full year equivalent fees are set out in the table below:

	FY24	FY23
Basic fee		
Board Chair	€78,000	€78,000
Non-Executive Director	€78,000	€78,000
Additional fees		
Board Chair	€172,000	€172,000
Senior Independent Director	€16,500	€16,500
Audit and Risk Committee Chair	€16,500	€16,500
Remuneration Committee Chair	€12,000	€12,000
Nomination and Governance Committee Chair	€10,000	€10,000
Sustainability Committee Chair	€10,000	€10,000

Chief Financial Officer appointment

As noted elsewhere in this Report, Catherine Gubbins will join the Group as Executive Director and CFO in early 2024. She has been appointed on a salary of €400,000, with a maximum bonus opportunity of 120% of salary and annual award face value under the PSP of 150% of salary. She will receive a pension contribution of 8% of salary (in line with that provided to other colleagues) and benefits consistent with our standard policy. In recognition of annual bonus forfeited on leaving her previous employers, she will also receive a one-off cash payment of €40,000 on joining the business.

Relative importance of spend on pay

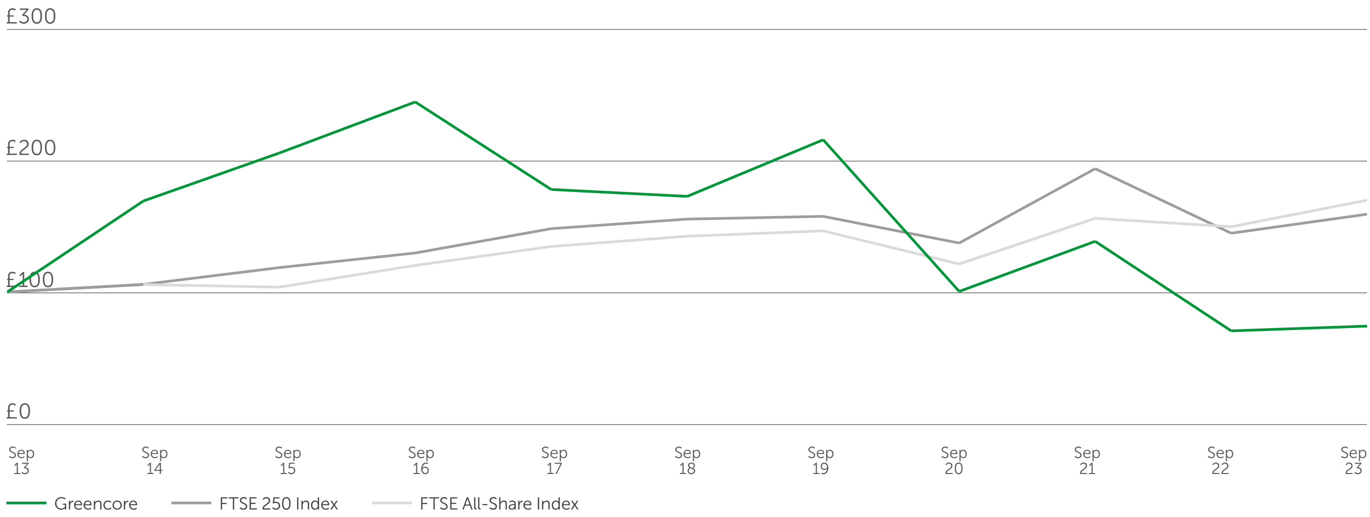
The table below illustrates shareholder distributions (i.e. dividends and share buybacks) and total employee pay for FY23 and FY22, and the year-on-year change.

	FY23 (£'000)	FY22 (£'000)	Percentage change
Distribution to shareholders[1]	26,200	8,800	198%
Total employee pay	398,600	380,900	5%

1. The Group did not pay dividends to shareholders in FY23. During FY23, the Company purchased a total of 33,382,718 ordinary shares (FY22: 9,728,677) under the Buyback Programme, returning a total of approximately £26.2m in cash to shareholders (FY22: £8.8m).

Historical TSR performance and remuneration outcomes for the CEO

The graph below compares the Company's TSR against the FTSE All-Share Index over a period of ten financial years up to 29 September 2023. It reflects the change in a hypothetical £100 holding in shares. The FTSE All-Share has been used as the Company is a constituent of this index.



The table below illustrates the CEO's single figure of total remuneration over the same ten financial year period to 29 September 2023.

Chief Executive Officer[1]	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Single figure (€'000)	€2,590	€5,038	€3,131	€1,670	€1,414	€2,453	€1,120	€1,166	€935	€1,672
Annual bonus outcome	98%	73%	83%	22%	18%	35%	0%	0%	n/a	82%
PSP vesting	n/a[2]	92.3%	79%	35%	0%	50%	0%	0%	n/a	n/a

1. FY14–FY21 relates to Patrick Coveney. For FY22 this represents remuneration paid to Patrick Coveney (until he resigned from the Company), Gary Kennedy in respect of his role as Executive Chair and Dalton Philips (from appointment to the Board). Patrick Coveney, Gary Kennedy and Dalton Philips were not eligible to participate in the FY22 ABP and Patrick Coveney's in-flight PSP awards lapsed on his resignation from the Company (Gary Kennedy and Dalton Philips did not participate in the FY20 PSP). FY23 remuneration reflects that received by Dalton Philips.
2. No performance-based long term incentive awards were awarded prior to March 2013.

External appointments

We recognise the opportunities and benefits both to the Company and to the Executive Directors of their serving as Non-Executive Directors of other companies. Executive Directors are generally permitted to take on one non-executive directorship with another publicly listed company or other significant commitment subject to the approval of the Board. Any fees arising from these or other appointments will generally be retained by the individual.

CEO pay ratio

The table on page 104 shows the ratio of CEO pay for FY23 comparing the single total figure of remuneration for Dalton Philips (converted into GBP using the average exchange rate for FY23 of €1:£0.8702), to the full-time equivalent total reward of those colleagues whose pay is ranked at the 25th, 50th and 75th percentiles in our UK workforce.

Report on Directors' Remuneration continued

Annual Report on Remuneration continued

The colleagues used to calculate the pay ratios were identified using our 2023 gender pay gap data (Option B). The colleagues at the 25th, 50th and 75th percentiles were identified as at 5 April 2023 and their salary and total remuneration were calculated in respect of the 12 months ended 29 September 2023. This method is deemed the most appropriate methodology for the Group as it makes use of our gender pay data which provided a readily available and robust dataset. The Committee is satisfied that these colleagues are representative of the relevant percentiles across the organisation, as they represent the large majority of our UK workforce receiving basic pay, overtime, holiday pay and employers' pension contributions. The resulting pay ratios are set out below:

Year	Method	25th percentile	50th percentile	75th percentile
FY23	B	63:1	48:1	43:1
FY22	B	35:1	31:1	27:1
FY21	B	49:1	44:1	35:1
FY20	B	49:1	46:1	40:1

The table below provides the individual remuneration information in relation to our colleagues ranked at the 25th, 50th and 75th percentiles:

Year		25th percentile	50th percentile	75th percentile
FY23	Salary	£22,314	£25,363	£28,075
	Total pay and benefits	£23,250	£30,403	£33,851

The Committee considers colleague pay levels and the resulting pay ratios as one of many reference points when reviewing executive remuneration, and is pleased to note the year-on-year increase in colleague pay levels at the 25th, 50th and 75th percentiles versus those disclosed in the FY22 Annual Report on Remuneration. The increase in CEO ratio reflects the first full year of the new CEO in situ, following a year of interim management as well as the positive outcome in the ABP as outlined on pages 96 to 99. The Committee expects the pay ratio going forward to be driven by fluctuations year-on-year in the CEO single figure to reflect the outcomes of variable remuneration components, the value of which is aligned to the sustainable, long-term success of the Company. However, the Committee will keep under review the evolution of the pay ratio over future years in this context, to ensure it remains appropriate.

Outstanding share awards (audited)

Details of the Executive Directors' existing share awards as at 29 September 2023 (or at the date of ceasing to be an Executive Director, if earlier) in the Company's share schemes are set out in the table below:

	Date of grant	Number of options/ awards at start of year	Granted during the year	Vested/ exercised in the year	Lapsed during the year	Number of options/ awards at year end/ date ceased to be a Director[1,2]	Market price on date of grant	Exercise price	Earliest date of exercise/ vesting	Expiry date/ holding expiring date
Dalton Philips										
Performance Share Plan										
FY23	08.12.2022	–	1,548,767	–	–	1,548,767	£0.68	–	08.12.25	08.12.27
Emma Hynes										
Deferred Bonus Plan										
	06.12.2021	225,638	–	–	–	225,638	£1.29	–	26.09.23	06.12.24
	08.12.2022	–	208,754	–	–	208,754	£0.68	–	26.09.23	08.12.25
Performance Share Plan										
FY20	22.05.2020	150,000	–	–	150,000	–	£1.37	–	22.05.23	22.05.25
FY21 Yr2 tranche	08.01.2021	130,905	–	–	130,905	–	£1.12	–	08.01.23	08.01.26
FY21 Yr3 tranche	08.01.2021	314,172	–	–	–	314,172	£1.12	–	08.01.24	08.01.26
FY22	06.12.2021	470,079	–	–	–	470,079	£1.29	–	06.12.24	06.12.26
FY23	08.12.2022	–	929,791	–	–	929,791	£0.68	–	08.12.25	08.12.27

1. Emma Hynes was treated as a good leaver and her 2021 and 2022 DBP awards vested subsequent to her departure from the Board.
2. For the purposes of Section 305 of the Companies Act 2014, the aggregate gain on the exercise of awards during the year ended 29 September 2023 was £332,005 (FY22: £77,591).

Statement of directors' shareholding and share interests (audited)

The Company has adopted Executive Director shareholding guidelines whereby all Executive Directors shall build a holding of shares in the Company equal to 200% of base salary, typically over a five-year period commencing on the date of their appointment to the Board.

As referred to in the 2023 Policy, with effect from January 2020, Executive Directors are also subject to a post-employment shareholding guideline. Executive Directors will normally be expected to maintain a holding of Greencore shares at a level equal to the lower of the in-post shareholding guideline or the individual's actual shareholding for a period of two years from the date the individual ceases to be a Director. The specific application of this shareholding guideline will be at the Committee's discretion.

There are currently no shareholding guidelines in place for Non-Executive Directors, however, all Non-Executive Directors are encouraged to hold shares in the Company.

The table below shows the beneficial interests of Directors on 30 September 2022 and 29 September 2023 (including the beneficial interest of their spouses, civil partners, children and stepchildren) in the Ordinary Shares of the Company, as well as unvested awards.

	Ordinary Shares							
	Held at 30 Sept 2022 (or date of appointment if later)	Held at 29 Sept 2023 (or date of departure if earlier)	Shareholding requirement as % of salary	Shareholding as % of salary[1]	Shareholding requirement met	Scheme interests subject to deferral/ holding period[2]	Scheme interests subject to performance conditions[3]	Share options unvested and not subject to performance conditions
Executive Directors								
Dalton Philips[4]	–	195,000	200%	26%	Building	Nil	1,548,767	Nil
Emma Hynes[5]	140,357	140,357	200%	65%	n/a	434,392	1,714,042	Nil
Non-Executive Directors								
John Amaechi	–	–	n/a	n/a	n/a	n/a	n/a	n/a
Sly Bailey	64,504	64,504	n/a	n/a	n/a	n/a	n/a	n/a
Paul Drechsler[6]	43,015	43,015	n/a	n/a	n/a	n/a	n/a	n/a
Linda Hickey	–	–	n/a	n/a	n/a	n/a	n/a	n/a
Gary Kennedy[7]	477,676	477,676	n/a	n/a	n/a	n/a	n/a	n/a
Alastair Murray[8]	–	–	n/a	n/a	n/a	n/a	n/a	n/a
Anne O'Leary	–	–	n/a	n/a	n/a	n/a	n/a	n/a
Helen Rose	98,550	98,550	n/a	n/a	n/a	n/a	n/a	n/a
Hetal Shah[9]	–	–	n/a	n/a	n/a	n/a	n/a	n/a
Helen Weir[10]	39,000	39,000	n/a	n/a	n/a	n/a	n/a	n/a
Leslie Van de Walle[11]	–	145,000	n/a	n/a	n/a	n/a	n/a	n/a
Group General Counsel and Company Secretary								
Damien Moynagh[12]	–	70,000	n/a	n/a	n/a	n/a	n/a	n/a

1. Calculated based on FY23 salaries and the average share price between 1 July 2023 and 29 September 2023 of £0.8270 (for Emma Hynes, the average share price between 1 March 2023 and 31 May 2023 of £0.8125) which has then been converted into euro using the average exchange rate for FY23 of €1: £0.8702.
2. Includes deferred share awards which are included in the value of the shareholding (on a net of tax basis where these are unvested) and vested shares subject to a holding period under the PSP where applicable.
3. Includes unvested PSP shares.
4. Dalton Philips was appointed to the Board on 26 September 2022. Executive Directors have a period of five years from Board appointment to reach the shareholding guideline.
5. Emma Hynes stepped down from the Board as Executive Director and CFO on 31 May 2023 and is subject to the post-employment shareholding guideline.
6. Paul Drechsler stepped down from the Board as Non-Executive Director with effect from 26 January 2023.
7. Gary Kennedy stepped down from the Board as Non-Executive Director with effect from 26 January 2023.
8. Alastair Murray was appointed to the Board as Non-Executive Director with effect from 1 February 2023.
9. Hetal Shah was appointed to the Board as Non-Executive Director with effect from 1 April 2023.
10. Helen Weir stepped down from the Board as Non-Executive Director with effect from 31 December 2022.
11. Leslie Van de Walle was appointed to the Board as Non-Executive Director with effect from 1 December 2022.
12. Damien Moynagh was appointed Group General Counsel and Company Secretary on 7 November 2022.

Between 29 September 2023 and the date of this Report there have been no changes in the Directors' shareholdings.

None of the Directors had a material interest in any contract of significance, other than a service contract in the case of Executive Directors, with the Company or any of its subsidiaries at any time during the period.

Share-based payments

The Group operates a ShareSave Scheme in both Ireland and in the UK, which encourages eligible employees to save in order to buy shares in the Company. The ShareSave Schemes provide a means of saving and give colleagues the opportunity to become shareholders. Currently, there are approximately 2,000 participants in the schemes. In January 2022, the Group awarded £250 worth of Greencore Group plc shares to every colleague in the Company under a Share Incentive Plan ('SIP') (with the exception of Executive Directors). In January 2023, a Restricted Share Plan ('RSP') was approved by shareholders at the AGM, in which certain senior colleagues are eligible to participate. The Group's Financial Statements recognise an Income Statement charge in accordance with IFRS 2 *Share-based Payment* in respect of options issued under the ShareSave Scheme, and awards granted under the DBP, PSP, RSP and SIP. The related charge in respect of share-based payments issued to Executive Directors totalled £0.6m (FY22: £Nil) for the DBP and PSP and further detail is outlined in Note 30 to the Group Financial Statements. Further detail in respect of all other share schemes is detailed in Note 6 to the Group Financial Statements.

Report on Directors' Remuneration continued

Annual Report on Remuneration continued

Share awards and share options outstanding under the Company's DBP, PSP, RSP and all employee plans at 29 September 2023 amounted to 33,159,582 Ordinary Shares (FY22: 22,907,111), made up as follows:

	Number of Ordinary Shares	Price range	Normal vesting/ exercise dates
Deferred Bonus Plan	594,032	–	2023-2026
Performance Share Plan	10,752,522	–	2023-2026
ShareSave Scheme: UK	17,288,527	£0.63-£1.14	2023-2026
Ireland	62,016	€1.19	2023-2024
Share Incentive Plan	1,838,712	–	2025-2027
Restricted Share Plan	2,623,773	–	2024-2025

Funding of equity awards

Executive incentive arrangements are funded by a mix of newly issued shares and shares purchased in the market. Where shares are newly issued, the Company complies with the Investment Association guidelines in relation to issuing a maximum of 5% of share capital in respect of discretionary schemes and a maximum of 10% in respect of all share schemes in a rolling ten-year period. At 29 September 2023, there were 7,025,137 shares in the Company's share ownership trust (as at 30 September 2022: 2,877,009). Current shareholder dilution is c.1.45%.

Report of the Sustainability Committee

REPORT OF THE SUSTAINABILITY COMMITTEE

"As the Committee is in its infancy, the Committee focused on setting priorities, designing roadmaps and delivery plans, reporting and quality of data."

Dear Shareholder,
As Chair of the Sustainability Committee (the 'Committee'), it is my pleasure to present the Committee's inaugural report for the financial year ended 29 September 2023. The Committee was established during the year and is responsible for reviewing the Group's sustainability objectives and performance, including the delivery of the Group's Sustainability Strategy, as well as providing progress updates on sustainability matters to the Board. This report outlines how the Committee discharged the responsibilities delegated to it by the Board over the course of the period and the key matters it considered in doing so.

Role of the Committee

The Committee's role, authority, duties and scope are set out in its Terms of Reference which are available on the Governance section of our website, www.greencore.com. The Committee will review the Terms of Reference annually and any amendments are to be presented to the Board for approval.

Membership of the Committee

The Committee is currently comprised of four Non-Executive Directors, all of whom are considered by the Board to be independent. As a whole, the Committee possesses the skills, competence and relevant experience across a variety of industries, including the consumer goods and food sectors, to enable it to effectively discharge its responsibilities. I previously served as the Sustainability Engagement Director prior to the commencement of the Committee.

Membership of the Committee

Committee members	Date appointed	Attendance at scheduled Committee meetings during FY23
Helen Rose[1]	1 February 2023	1/1
John Amaechi[2]	1 February 2023	0/1
Sly Bailey	1 February 2023	1/1
Alastair Murray	1 February 2023	1/1

1. Helen Rose was appointed Committee Chair on 1 February 2023.
2. John Amaechi was unable to attend a meeting due to illness. Having read the papers, he communicated his views on the business of the meeting to the Chair.

Committee activities FY23

The Committee was formally established by the Board in January 2023 and held one meeting during the period. As the Committee is in its infancy, the Committee focused on setting priorities, designing roadmaps and delivery plans, reporting and quality of data.

Committee priorities for FY24

The Committee is focused on transparency and will continue to monitor the Group's performance of sustainability targets and developing and monitoring priority transition plans. Recognising that sustainability is a fast moving space, we will continue to monitor any new requirements and standards. We will also continue to develop our understanding of how climate could materially impact the business and will undertake upskilling in this area.

Helen Rose
On behalf of the Sustainability Committee
27 November 2023

For more information, see our Sustainability section on page 22

Read more in our 2023 Sustainability Report available on www.greencore.com

Other statutory disclosures

Principal activities, results and review of business

Greencore is a leading manufacturer of convenience foods in the UK and our purpose is to make every day taste better. We supply all of the major supermarkets in the UK. We also supply convenience and travel retail outlets, discounters, coffee shops, foodservice and other retailers. We have strong market positions in a range of categories including sandwiches, salads, sushi, chilled snacking, chilled ready meals, chilled soups and sauces, chilled quiche, ambient sauces and pickles, and frozen Yorkshire Puddings.

In FY23 we manufactured 779m sandwiches and other food to go products, 132m chilled ready meals, 245m jars of cooking sauces, pickles and condiments, and 45m chilled soups and sauces. We carry out more than 10,400 direct to store deliveries each day. We have 16 world class manufacturing sites in the UK, with industry-leading technology and supply chain capabilities. The Group employs c.13,600 people and is headquartered in Dublin, Ireland. Greencore's shares are listed on the London Stock Exchange and are included in the FTSE All Share Index Exchange.

The Group's performance and development activity is summarised in the Operating and Financial Review set out on pages 44 to 48.
The Group Income Statement, which is set out on page 122, details the Group's results for FY23. The Group reported Adjusted Operating Profit for the year of £76.3m (FY22: £72.2m). Profit for the financial year was £35.9m (FY22: £32.3m).

Dividends

The Group did not pay dividends to shareholders in FY23 and there is no proposed final dividend for the year (FY22: £nil).

Future developments

The Group continues to focus on improving profitability and is investing in a number of initiatives focused on both optimising our network and our IT infrastructure, to give us the platform for future growth. The Group's stronger balance sheet provides the financial flexibility to underpin this growth. The Group is pleased with the start to the year and although it's early days, the Group remains confident in delivering FY24 within the range of current market expectations.

Principal risks and uncertainties

Pursuant to Section 327(1)(b) of the Companies Act 2014, the 2018 UK Corporate Governance Code (the 'Code') and DTR 4.1.8R(2), the principal risks and uncertainties that could affect the Group's business are set out on pages 52 to 57 and are deemed to be incorporated in this part of the Directors' Report.

Principal subsidiaries

The principal subsidiary undertakings are listed in Note 31 to the Group Financial Statements.

Corporate governance

Statements by the Directors relating to the Group's application of corporate governance principles, compliance with the principles and provisions of the Code is set out on pages 60 and 61. The Group's system of internal controls and the adoption of the going concern basis in the preparation of the Group Financial Statements are set out on pages 82 to 87.

Greencore Group plc has applied the principles of the Code and complied with the provisions of the Code on a comply or explain basis for the year ended 29 September 2023.

Greencore Group plc is registered in Ireland and, as an Irish incorporated company, it is not subject to the UK executive remuneration requirements as set out in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, as updated. Greencore Group plc is listed on the main market of the London Stock Exchange, and so it is not a 'traded PLC' for the purposes of Section 1110N of the Companies Act 2014. Nonetheless, in order to ensure transparency for all of our stakeholders, we have sought to comply with these requirements on a voluntary basis in respect of the members of the Board to the extent possible under Irish law. The Report on Directors' Remuneration is contained on pages 88 to 106.

Taskforce on Climate-related Financial Reporting ('TCFD') reporting

The Company's compliance with the TCFD Recommendations and Recommended Disclosures pursuant to UK Listing Rule 9.8.6R is set out on pages 32 to 39.

Non-financial information statement

Pursuant to the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017 ('Regulations'), the Group is required to report on certain non-financial information to provide an understanding of its development, performance, position and the impact of its activities, relating to, at least, environmental matters, social matters, employee matters, respect for human rights, and bribery and corruption. We have set out the location of the information required by the Regulations to be included in this Annual Report in the table below. Each referenced section of the Annual Report is deemed to form part of this Directors' Report.

Reporting requirements	Policies and programmes that govern our approach	Location of information
Environmental matters	• Code of Ethics and Business Conduct • Responsible Sourcing of Soy Policy • Responsible Sourcing of Code of Conduct Policy	Sustainability section on pages 22 to 39 Non-financial KPIs on page 42

Communities	• Code of Ethics and Business Conduct • Community Policy	Sustainability section on page 28
Social and employee matters	• Code of Business Practice • Code of Ethics and Business Conduct • Ethical Code and Employment Standards Policy • Whistleblowing and Speak Up Policy	Sustainability on pages 30 to 31 Non-financial KPIs on page 42
Human rights	• Code of Ethics and Business Conduct • Human Rights Policy • FY22 Modern Slavery and Human Trafficking Transparency Statement	Sustainability on page 26
Anti-bribery and corruption	• Anti-Bribery and Corruption Policy Statement • Code of Ethics and Business Conduct	Sustainability on page 31
Prevention of modern slavery	• Code of Ethics and Business Conduct • Modern Slavery and Human Trafficking Transparency Statement	Sustainability on page 26
Diversity	• Group Inclusion and Diversity Policy • Board Diversity Policy • Code of Ethics and Business Conduct • Ethical Code and Employment Standards Policy	Sustainability on pages 30 and 31 Report of the Nomination and Governance Committee on page 81
Whistleblowing	• Code of Ethics and Business Conduct • Ethical Code and Employment Standards Policy • Whistleblowing and Speak Up Policy	Report of the Audit and Risk Committee on pages 86 and 87
Business model	–	Business model on pages 6 and 7
Non-financial Key Performance Indicators	–	Non-financial KPIs on pages 42 and 43
Principal risks	–	Risk and risk management on pages 52 to 57

In addition to the information required by the Regulations, the Group publishes a comprehensive Sustainability Report annually which details our Sustainability Strategy, environmental and governance responsibilities and commitment to social matters. The 2023 Sustainability Report is available on our website www.greencore.com.

Shareholders' meetings

The Company operates under the Irish Companies Act 2014 ('Act'). The Act provides for two types of shareholder meetings: the Annual General Meeting ('AGM'), with all other general meetings being called an Extraordinary General Meeting ('EGM').

The Company must hold a general meeting each year as its AGM, in addition to any other general meetings held in that year. Not more than 15 months may elapse between the date of one AGM and the next. EGMs can also be convened at the request of members holding not less than 5% of the voting share capital of the Company. The notice period for an AGM and an EGM to consider any special resolution (a resolution which requires a 75% majority vote, not a simple majority) is 21 days.

A member or a group of members holding at least 3% of the issued share capital of the Company which carries voting rights has the right to put an item on the agenda of an AGM, provided the member(s) exercise(s) that right within the prescribed time period, or to table a draft resolution for an item on the agenda of a general meeting.

No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. Two members present in person or by proxy and entitled to vote shall be a quorum. Only those shareholders registered on the Company's register of members at the prescribed record date, being a date not more than 72 hours before the general meeting to which it relates, are entitled to attend and vote at a general meeting.

Under the Act, ordinary resolutions may be passed by a majority of votes cast in favour, while special resolutions require a 75% majority of votes cast in favour. Any shareholder who is entitled to attend, speak and vote at a general meeting is entitled to appoint one or more proxies to attend, speak and vote on their behalf. A proxy need not be a member of the Company. Resolutions are voted on by either a show of hands of those shareholders attending in person or by proxy, or, if validly requested, by way of a poll.

The business of the Company is managed by the Directors who may exercise all the powers of the Company unless they are required to be exercised by the Company in a general meeting. Matters reserved to shareholders in general meetings include the election of Directors, the declaration of final dividends on the recommendation of the Directors, the fixing of the remuneration of the external auditor, amendments to the Articles of Association, measures to increase or reduce the ordinary share capital and the authority to issue shares.

Other statutory disclosures continued

Notice of general meetings and special business

The notice of the 2024 AGM, together with details of special business to be considered at the meeting, will be circulated to shareholders during December 2023.

Share capital

As at 30 September 2022, there were 516,836,560 Ordinary Shares in issue. In FY23, no (FY22; 18,575) Ordinary Shares were issued under the Company's ShareSave Schemes.

On 24 May 2022, the Company announced its intention to recommence value return of up to £50 million over the following two years consistent with the Group's capital management policy (the 'Buyback Programme'). In FY22, the Company purchased 9,728,677 ordinary shares under the Buyback Programme, returning a total of £8.8m in cash to shareholders. In FY23, the Company purchased a total of 33,382,718 ordinary shares under the Buyback Programme, returning a total of £26.2m in cash to shareholders. All shares purchased under the Buyback Programme were cancelled.

The table below sets out the ordinary shares purchased under the Buyback Programme during FY23. See Note 25 to the Consolidated Financial Statements for further details.

Month	Total number of share buyback purchases	Weighted average price paid per share (£)
October 2022	1,666,838	0.7321
November 2022	973,215	0.6681
December 2022	3,345,174	0.6341
January 2023	3,946,602	0.7346
February 2023	4,308,320	0.8149
March 2023	3,110,000	0.8151
April 2023	2,495,484	0.8134
May 2023	1,799,164	0.8209
June 2023	3,970,667	0.7701
July 2023	4,408,732	0.8451
August 2023	3,358,522	0.8778
Total	33,382,718	0.7751

As at 29 September 2023, Greencore's issued ordinary share capital consisted of 483,453,842 Ordinary Shares with voting rights.

On 10 October 2023, the Company announced a further Buyback Programme of a maximum aggregate consideration of up to £15 million.

Between 10 October 2023 and 24 November 2023, the Company purchased a total of 4,907,006 ordinary shares under the Buyback Programme, returning a total of £4.5m in cash to shareholders.

One Special Share of €1.26 exists in the share capital of the Company. The Articles of Association provide that the Special Share may be held only by, or transferred only to, the Minister for Agriculture, Food and the Marine or some other person appointed by the Minister. Under the Articles of Association, the consent of the holder of the Special Share is required in the winding up of the Company. Many of the rights attached to the Special Share were abolished in 2011.

At the AGM held on 26 January 2023, amongst other resolutions passed:

- shareholders passed a resolution to give the Company, or any of its subsidiaries, the authority to make market purchases and overseas market purchases of up to 10% of its own shares;
- shareholders gave the Directors authority to allot shares up to a maximum nominal amount equal to approximately 33% of the aggregate nominal value of the issued ordinary share capital of the Company;
- shareholders gave authority to Directors to disapply pre-emption rights; and
- shareholders gave authority to Directors to re-allot shares purchased by the Company and not cancelled as treasury shares.

At the forthcoming AGM scheduled to take place on 25 January 2024 ('2024 AGM'), amongst other resolutions, Directors will seek:

- authority to make market purchases or overseas market purchases of up to 10% of its own shares. If approved, any purchases will be made only at price levels which the Directors consider to be in the best interests of the shareholders generally, taking into consideration the Group's overall financial position;
- approval to allot relevant shares up to an amount equal to approximately 33% of the aggregate nominal value of the issued ordinary share capital of the Company;
- approval to disapply the strict statutory pre-emption provisions relating to the issue of new equity for cash until the date of the AGM to be held in 2025, or 25 April 2025, whichever is earlier; and
- authority to re-allot shares purchased by the Company and not cancelled as treasury shares. If the resolution is passed, the authority will expire on the earlier date of the AGM in 2025 or 25 April 2025 and the minimum price at which treasury shares may be re-allotted shall be set at the nominal value of the share where such a share is required to satisfy an obligation under an employee share scheme or, in all other cases, an amount equal to 95% of the then market price of such shares and the maximum price at which treasury shares may be re-allotted shall be set at 120% of the then market price of such shares.

Memorandum and Articles of Association

The Company's Memorandum and Articles of Association set out the objects and powers of the Company. The Articles of Association detail the rights attaching to shares, the method by which the Company's shares can be purchased or re-issued, the provisions which apply to the holding of and voting at general meetings and the rules relating to the Directors, including their appointment, retirement, re-election, duties and powers. The Company's Articles of Association may be amended by a special resolution passed by the shareholders at an AGM or EGM of the Company. The Company's Articles of Association were last amended at the 2021 EGM, and a copy can be obtained from the Company's website, www.greencore.com.

Directors' interests in the Ordinary Shares at 29 September 2023

The interests of Directors and Group Company Secretary in the shares of the Company are set out in the Report on Directors' Remuneration. The Directors and Group General Counsel and Company Secretary have no beneficial interests in any of the Group's subsidiary or associated undertakings.

Going concern and viability statement

The going concern and viability statements set out on page 58 are deemed to be incorporated in this section of the Directors' Report.

Directors' compliance statement

The Directors acknowledge that they are responsible for securing compliance by the Company of its relevant obligations as defined in the Companies Act 2014 ('Relevant Obligations'). The Directors further confirm that there is a compliance policy statement in place setting out the Company's policies which, in the Directors' opinion, are appropriate to ensure compliance with the Company's Relevant Obligations. The Directors also confirm that appropriate arrangements and structures are in place which, in the Directors' opinion, are designed to secure material compliance with the Company's Relevant Obligations. For the year ended 29 September 2023, the Directors, with the assistance of Internal Audit, conducted a review of the arrangements and structures in place. In discharging their responsibilities under Section 225 of the Companies Act 2014, the Directors relied on the advice of persons who the Directors believe have the requisite knowledge and experience to advise the Company on compliance with its Relevant Obligations.

Directors for year ended 29 September 2023

The names of each of the current Directors and a short biographical note on each Director appear on pages 62 and 63.

On 31 December 2022, Helen Weir stepped down from the Board as Non-Executive Director and Chair of the Audit and Risk Committee. At the conclusion of the AGM on 26 January 2023, Gary Kennedy retired from his role as Non-Executive Director and Board Chair, Paul Drechsler also retired from his role as Non-Executive Director and Leslie Van de Walle assumed the position of Board Chair on the same date. On 1 February 2023, Alastair Murray was appointed to the Board as a Non-Executive Director and Chair of the Audit and Risk Committee and on 1 April 2023, Harshitkumar (Hetal) Shah was appointed to the Board as a Non-Executive Director. Emma Hynes stepped down from her role as Executive Director and Chief Financial Officer in 31 May 2023.

John Amaechi and Sly Bailey have advised the Board that they will not be seeking re-election at the 2024 AGM. This is discussed further in the Report of the Nomination and Governance Committee. In early 2024 Catherine Gubbins will join the Board as Executive Director and Chief Financial Officer.

In accordance with the Company's Articles of Association and Provision 18 of the Code, each of the Directors individually retire at each AGM of the Company and, where appropriate, submit themselves for re-election. No reappointment is automatic and all Directors who intend to submit themselves for re-election are subject to a full and rigorous evaluation. One of the main purposes of the evaluation is to assess each Director's suitability for re-election. If a Director is not deemed to be effective in carrying out his or her required duties, the Board will not recommend that Director for re-election. In line with the Code, in the year under review, each Director, and the Board as a whole, were subject to an internal evaluation. Details of the Board evaluation can be found on page 77. Following on from the evaluation, the Board Chair and Board are pleased to recommend for re-election each of those Directors who intend to seek reappointment at the forthcoming AGM as they continue to be effective and remain committed to their role on the Board.

Significant shareholdings

At 29 September 2023, the Company has been advised of the following notifiable interests in its ordinary share capital:

Shareholder	Notified shareholding as at 29 September 2023	Percentage of total Ordinary Shares in issue
Polaris Capital Management, LLC	67,119,773	13.00
Morgan Stanley & Co. International plc	29,297,648	5.96
Rubric Capital Management LP	27,415,831	5.20
Brandes Investment Partners, L.P.	25,375,324	5.12
Utah State Retirement Systems	15,474,404	3.20
The Goldman Sachs Group	15,001,314	3.10
Black Creek Investment Management Inc.	15,834,000	3.01

Other statutory disclosures continued

At 24 November 2023, the Company has been advised of the following notifiable interests in its ordinary share capital:

Shareholder	Notified shareholding as at 24 November 2023	Percentage of total Ordinary Shares in issue
Polaris Capital Management, LLC	62,751,510	12.97
Morgan Stanley & Co. International plc	29,297,648	5.96
Rubric Capital Management LP	27,415,831	5.20
Brandes Investment Partners, L.P.	25,375,324	5.12
Utah State Retirement Systems	15,474,404	3.20
The Goldman Sachs Group	15,001,314	3.10
Black Creek Investment Management Inc.	15,834,000	3.01

Other than these holdings, the Company has not been notified as at 24 November 2023 of any interest of 3% or more in its ordinary share capital.

Accounting records

The Directors believe that they have complied with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to maintaining adequate accounting records by employing accounting personnel with appropriate expertise and by providing adequate resources to the Finance function. The accounting records of the Company are maintained at the Company's registered office address at No. 2 Northwood Avenue, Northwood Business Park, Santry, Dublin 9, D09 X5N9, Ireland.

Research and development

The Group continued its research and development programme in relation to its principal activities during the year under review. Further information is contained in Note 3 to the Group Financial Statements.

Political contributions

The Company made no political contributions which are required to be disclosed under the Electoral Act, 1997 (as amended).

Audit and Risk Committee

The Company has an Audit and Risk Committee, the members of which are set out on page 82.

Auditor

Deloitte Ireland LLP ('Deloitte') were appointed as external auditor in January 2019. At the AGM of the Company on 26 January 2023, under an advisory resolution, the shareholders approved the reappointment of Deloitte as external auditor for its fifth year. Under Irish legislation, the Company's external auditor is automatically reappointed each year at the AGM unless the meeting passes a resolution to appoint a different auditor or provides that the existing external auditor shall not be reappointed or, alternatively, if the auditor expresses its unwillingness to continue in office. At the 2024 AGM, the Company intends to once again put an advisory resolution before shareholders in respect of the continuation in office of Deloitte as external auditor.

As required under Section 381(1)(b) of the Companies Act 2014, a resolution authorising the Directors to determine the remuneration of the external auditor will be proposed at the 2024 AGM.

Disclosure of information to the auditor

Each of the Directors individually confirm that:
- insofar as they are aware, there is no relevant audit information of which the Company's statutory auditor is unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's statutory auditor is aware of such information.

The referenced sections are deemed to be incorporated within this Directors' Report.

On behalf of the Board

Leslie Van de Walle
Board Chair
Dublin
27 November 2023

Dalton Philips
Director

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors are required to prepare the Group Financial Statements in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union ('EU') and with those parts of the Companies Act 2014 applicable to companies reporting under IFRS. The Directors have elected to prepare the Company Financial Statements in accordance with FRS 101: *Reduced Disclosure Framework* issued by the Financial Reporting Council together with the Companies Act 2014.

Under company law, Directors shall not approve the Group and Company Financial Statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and Company respectively and of the Group's profit or loss for that financial year.

In preparing these Group and Company Financial Statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the Group Financial Statements have been prepared in accordance with IFRS as adopted by the EU and as applied in accordance with the Companies Act 2014 and the Company Financial Statements have been prepared in accordance with FRS 101 together with the Companies Act 2014;
- assess the Company and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- prepare the Financial Statements on the going concern basis, unless it is inappropriate to presume that the Group or Company will continue in business.

The Directors are also required by the Disclosure Guidance and Transparency Rules of the UK Financial Conduct Authority (the 'Transparency Rules') to include a management report containing a fair review of the business and a description of the principal risks and uncertainties facing the Group.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Group and Company and which enable them to ensure that the Financial Statements of the Group and Company comply with the provisions of the Companies Act 2014. The Directors are also responsible for taking all reasonable steps to ensure such records are kept by the Group's subsidiaries which enable them to ensure that the Financial Statements of the Group comply with the provisions of the Companies Act 2014. They are responsible for such internal controls as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for safeguarding the assets of the Company and the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Act 2014.

Furthermore, the Directors are responsible for the maintenance and integrity of corporate and financial information included on the Group's website (www.greencore.com). Legislation in Ireland concerning the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

In accordance with the 2018 UK Corporate Governance Code (the 'Code'), the Directors must provide an explanation of their responsibility for preparing the Annual Report and Financial Statements and state, having taken all relevant matters into consideration, whether they consider that the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides shareholders with the information necessary to assess the Group's position, performance, business model and strategy.

The Directors confirm that they have complied with the above requirements in preparing the Annual Report and Financial Statements.

Responsibility statement in regard to Annual Report

Each of the Directors, whose names and functions are listed on pages 62 and 63 of this Annual Report and Financial Statements, confirm that, to the best of each person's knowledge and belief:

as required by the Transparency Rules:

- the Group Financial Statements, prepared in accordance with IFRS as adopted by the EU and the Company Financial Statements prepared in accordance with FRS 101: *Reduced Disclosure Framework*, give a true and fair view of the assets, liabilities, financial position of the Group and Company at 29 September 2023 and the profit of the Group for the year then ended;
- the Directors' Report contained in this Annual Report and Financial Statements includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that they face; and

as required by the Code:

- this Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy.

On behalf of the Board

Leslie Van de Walle
Board Chair

Dalton Philips
Director
Dublin
27 November 2023

Independent Auditor's Report
to the members of Greencore Group plc

Report on the audit of the financial statements

Opinion on the financial statements of Greencore Group plc (the 'Company')

In our opinion the Group and Company financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Group and the Company as at 29 September 2023 and of the profit of the Group for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting frameworks and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

The Group financial statements:

- the Group Income Statement;
- the Group Statement of Comprehensive Income;
- the Group Statement of Financial Position;
- the Group Statement of Cash Flows;
- the Group Statement of Changes in Equity; and
- the related Notes 1 to 33, including a summary of significant accounting policies as set out in Note 1.

The Company financial statements:

- the Company Statement of Financial Position;
- the Company Statement of Changes in Equity; and
- the related Notes 1 to 10, including a summary of significant accounting policies as set out in Note 1.

The relevant financial reporting framework that has been applied in the preparation of the Group financial statements is the Companies Act 2014 and International Financial Reporting Standards (IFRS) as adopted by the European Union ('the relevant financial reporting framework').

The relevant financial reporting framework that has been applied in the preparation of the Company financial statements is the Companies Act 2014 and FRS 101 *'Reduced Disclosure Framework'* issued by the Financial Reporting Council ('the relevant financial reporting framework').

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the 'Auditor's responsibilities for the audit of the financial statements' section of our report.

We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of our audit approach

Key Audit Matters	The Key Audit Matters that we identified in the current year were: • Impairment of Goodwill; and • Recoverability of Investment in Subsidiary Undertakings (Company only Key Audit Matter) Within this report, any new Key Audit Matters are identified with and any Key Audit Matters which are the same as the prior year are identified with .
Materiality	The materiality for the Group that we used in the current year was £3m which was determined on the basis of Net Assets representing 0.7% of this benchmark (2022: £3m, representing 0.6% of Net Assets). The materiality for the Company that we used in the current year was £1.65m which was determined on the basis of Net Assets representing 0.5% of this benchmark (2022: £1.65m, representing 0.4% of Net Assets).
Scoping	We determined the scope of our Group audit by obtaining an understanding of the Group and its environment and assessing the risks of material misstatement at the Group level. Our audit scoping provides coverage of 100% of revenue, and 99.8% of net assets (2022: 100% of revenue and 99.8% of net assets).
Significant changes in our approach	Key audit matters considered in the prior year were broadly aligned with the items identified above, but also included going concern. Going concern is not considered a key audit matter in our audit of the current financial year as the risk associated with it has reduced compared to the prior year, especially due to stabilising macro-economic conditions. There are no new key audit matters identified this year.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Group and Company's ability to continue to adopt the going concern basis of accounting included:

- We evaluated the design and determined the implementation of the relevant controls in place over the Directors' review of the going concern cash flow projections and various scenarios.
- Subsequent to the year end, the Group refinanced its debt facilities. We reviewed the amendments to the Group's re-financing agreements and obtained an understanding of the debt covenants applicable to the Group and the respective impact going forward in the going concern cash flow projections.
- We challenged the Directors' assumptions used in their going concern assessment, the basis for their evaluation and inclusion of sensitivities to incorporate the risks and uncertainties related to macro-economic factors such as supply chain disruption, labour challenges, inflationary pressures, and climate risk on future trading.
- We have evaluated the Directors' assessment of the risks and uncertainties related to macro-economic factors and the adequacy of disclosures in relation to the specific risks these pose.
- We performed sensitivity analysis using alternative, reasonably possible assumptions and other market trading challenges such as inflation and recessionary pressures. We compared outputs from the Group's cash flow projections and from our sensitivity analysis to the Directors' proforma covenant compliance calculations.
- We evaluated the completeness and accuracy of the disclosures made in the Basis of Preparation Note 1 by reference to the understanding we had obtained of the Group's financial performance during 2023, our assessment of Directors' cash flow projections and our reading of the Group's financing agreements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to continue to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Independent Auditor's Report continued
to the members of Greencore Group plc

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current financial year and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of Goodwill	
Key Audit Matter description	As stated in Note 12 (Goodwill and Intangible Assets), the Group held £447.3m (2022: £449.4m) of goodwill as at 29 September 2023 which represents 34.5% of the Group's total assets. The accounting policies in relation to Goodwill are described in Note 1 (Significant Sources of Accounting Estimates) to the financial statements. Directors' judgement is required in identifying indicators of impairment, and estimation is required in determining the recoverable amount of the Group's cash generating unit ('CGU'). There is a risk that an impairment of goodwill has arisen which has not been appropriately identified. As a result, the balances could be overstated on the Statement of Financial Position at year-end due to the use of inappropriate inputs and assumptions within the impairment model, in particular the discount rate and the long-term growth rate. This risk relates to the Group's Convenience Foods UK CGU as it accounts for 100% of the Group's goodwill balance. When a review for impairment is carried out, the recoverable amount of the CGU is compared to its carrying value. The recoverable amount is determined based on value in use calculations which rely on Directors' assumptions and estimates of future trading performance. These assumptions and estimates may be impacted by the continuing risks and uncertainties arising from the Russia-Ukraine conflict and other macro-economic factors such as supply chain disruption, labour challenges, inflationary pressures, climate risk and potentially rising interest rates, resulting in reduced headroom, and potentially impairment in the carrying value of goodwill. The key assumptions utilised by the Directors in the impairment reviews are discount rates and long-term growth rate. A small change in these specific assumptions could have a significant impact on the value in use calculation, therefore this is considered a Key Audit Matter. The Audit and Risk Committee's discussion of goodwill is set out on page 85.
How the scope of our audit responded to the Key Audit Matter	In order to address the Key Audit Matter, our procedures included the following: We evaluated the design and determined the implementation of the relevant controls in place over the Directors' impairment review process. We, in conjunction with our valuation specialists, evaluated the methodology applied by the Directors in preparing the value in use calculations and the judgements applied in determining the CGU. We challenged the underlying key assumptions within the Group's impairment model, focusing on the discount rates and profitability growth rates. We challenged the Group's scenarios with reference to recent performance, economic and industry forecasts and trend analysis including historic growth rates and market available information. We also challenged the cash flow projections by comparing them to historic rates and Group strategic plans. We assessed the reasonableness of related assumptions used in determining terminal values. We developed an independent view of the key assumptions used in the model, in particular, the Group discount rate and long-term growth rate, and benchmarked the rates used by Directors against market data and comparable organisations. We also assessed any changes made to the impairment model when calculating the headroom available. We evaluated the Directors' sensitivity analysis and performed our own sensitivity analysis on the key assumptions used. We evaluated the completeness and accuracy of the disclosures in relation to goodwill and whether they meet the requirements of the relevant accounting standards.
Key observations	Based on the procedures performed, we have determined the Directors' assumptions used in the assessment of the impairment of goodwill are reasonable. We concluded that the related disclosures provided in the Group Financial Statements are appropriate.

Recoverability of Investment in Subsidiary Undertakings (Company only Key Audit Matter)	
Key Audit Matter description	As outlined in Note 1 (Significant accounting judgements) to the Company financial statements, investments in subsidiary undertakings are carried at cost less impairment. Investment in subsidiary undertakings is significant and represents over 99% of total assets recorded on the Company Statement of Financial Position. Impairments in subsidiary undertakings are determined with reference to the individual subsidiary undertakings' recoverable value, which could have been adversely effected by the current environment. Directors' judgements around valuation of investments in subsidiaries are considered significant judgements given the magnitude of the investments on the Company Statement of Financial Position. With limited headroom, changes in judgements resulting in reduced recoverable value could result in material impairment in the Company income statement. Given the significant judgement involved in assessing the recoverable value of the investments held in subsidiary undertakings, we have considered this to be a Key Audit Matter at the Company level. The Audit and Risk Committee's discussion of Investment in Subsidiaries is set out on page 85.
How the scope of our audit responded to the Key Audit Matter	In order to address the Key Audit Matter, our procedures included the following: We evaluated the design and determined the implementation of the relevant controls in place over the Directors' impairment review process. We assessed the recoverable value of subsidiary undertakings for any objective indicators of impairment and tested the accuracy of Directors' calculations. We confirmed that the Directors used the most up to date financial information in their valuation models and assessed the reasonableness of the assumptions made in determining the recoverable amount of their investments in subsidiaries.
Key observations	The Directors have recorded an impairment charge of £1.5m in relation to the investments held in subsidiary undertakings. We have no other observations in respect of the recoverability of investment in subsidiary undertakings.

Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

Our application of materiality

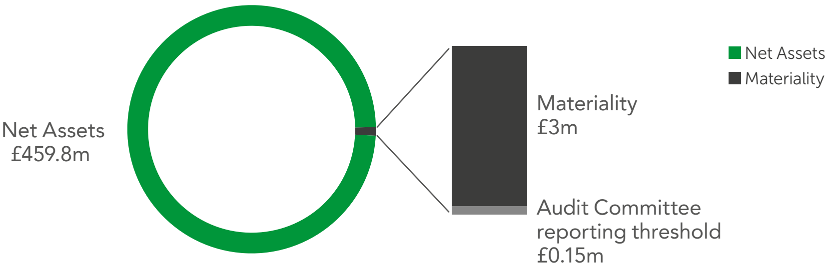
We define materiality as the magnitude of misstatement that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the financial statements, would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Company financial statements
Materiality	£3m (2022: £3m)	£1.65m (2022: £1.65m)
Basis for determining materiality	Approximately 0.7% of Net Assets (2022: 0.6% of Net Assets).	Approximately 0.5% of Net Assets (2022: 0.4% of Net Assets).
Rationale for the benchmark applied	We considered Net Assets to be the critical component for determining materiality because it represents the cumulative undistributed gains and capital and reserves of the Group. In determining materiality, we considered the Group's profitability, and the decrease in the net asset position of the Group since last year. However, given the continuing uncertainties relating to the potential impact of the Russia-Ukraine conflict, supply chain issues and inflationary pressures, we considered that remaining at a stable level of Group materiality was most appropriate.	We considered Net Assets to be the critical component for determining materiality because the Company is a non-trading company, which does not generate revenues but incurs costs. Net Assets are of most relevance to the users of the financial statements. Given the continuing uncertainties relating to the potential impact of the Russia-Ukraine conflict, supply chain issues and inflationary pressures, we considered that remaining at a stable level of Company materiality was most appropriate.

Independent Auditor's Report continued
to the members of Greencore Group plc

Our application of materiality continued



We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Company financial statements
Performance materiality	80% of Group materiality	80% of Company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: a. our understanding of the entity and its environment and the impact of various macro-economic factors, b. the financial performance of the Group and Company since last year, c. risks identified in relation to potential labour shortages, supply chain disruption, the rising impact of interest rates and inflation affecting the trading environment, d. the nature, volume, and size of misstatements (corrected and uncorrected) in the previous audit, e. the likelihood of the prior year misstatements reoccurring in the current year audit.	

We agreed with the Audit and Risk Committee that we would report to them any audit differences in excess of £0.15m, as well as differences below that threshold which, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

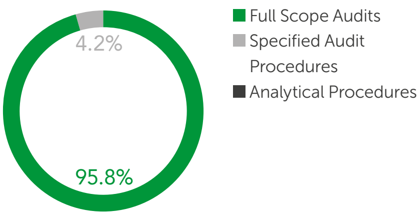
An overview of the scope of our audit

We determined the scope of our Group audit by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level. In determining our audit scope, we considered the changes in the Group structure, including the amalgamation of reporting components during the year. Based on that assessment, we focused our Group audit scope primarily on the audit of 6 trading components which were subject to a full scope audit and 15 non-trading, investment holding or financing components which were subject to specified audit procedures where the extent of our testing was based on our assessment of the associated risks of material misstatement and of the materiality of the component operations to the Group. The remaining components of the Group were subject to analytical procedures.

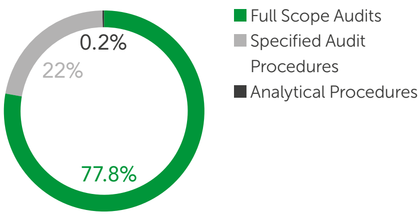
These components were selected based on the level of coverage achieved and to provide an appropriate basis for undertaking audit work to address the risks of material misstatement identified above. Our audit work for all components was executed at levels of materiality applicable to each individual component which were lower than Group materiality and ranged from £0.9m to £2.1m.

At the Group level, we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to a full audit.

Revenue



Net Assets



	Revenue	Net Assets
Full Scope Audits	95.8%	77.8%
Specified Audit Procedures	4.2%	22.0%
Analytical Procedures	–	0.2%

During the year, the Group audit team, while adopting a hybrid approach of in-person and virtual meetings, attended planning meetings at a number of significant and non-significant components in all key locations. In addition to attending planning meetings, we sent detailed instructions to our component audit teams, included them in our team briefings, discussed their risk assessment, attended client planning and closing meetings, and reviewed their audit working papers.

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report and Financial Statements.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on IAASA's website at: Description of the auditor's responsibilities for the audit of the financial statements – IAASA. This description forms part of our auditor's report. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group and Company's remuneration policies, key drivers for Directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management including legal department, General Counsel and Corporate Secretary and the Audit Committee about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Group and Company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team, component audit teams and relevant internal specialists, including tax, valuations, pensions and IT regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the area of revenue recognition (rebates and discounts). In common with all audits under ISAs (Ireland), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the Group and Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2014, UK Corporate Governance Code 2018, London Stock Exchange Listing Rules, Irish tax laws and UK tax laws.

Independent Auditor's Report continued
to the members of Greencore Group plc

Extent to which the audit was considered capable of detecting irregularities, including fraud continued
Identifying and assessing potential risks related to irregularities continued
In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group and Company's ability to operate or to avoid a material penalty. These included the Group and Company's operating licence and environmental regulations.

Audit response to risks identified
As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

Our procedures to respond to risks identified included the following:
- reviewing the financial statements disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit and Risk Committee and in-house and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.
- in addressing the presumed risk of fraud in revenue recognition (rebates and discounts), our procedures included:
  - obtaining an understanding of and assessing the relevant controls in place over the various selling and rebate arrangements within the Group;
  - obtaining reconciliations showing the movements on rebates and discounts during the year. On a sample basis, we agreed a number of rebates and discounts for the year to customer agreements and assessed whether there were any material one off or unusual transactions during the year;
  - considering material adjustments and renegotiations which occurred during the year and reviewed the accounting treatment to ensure compliance with the requirements of IFRS 15.
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements
Opinion on other matters prescribed by the Companies Act 2014
Based solely on the work undertaken in the course of the audit, we report that:
- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited.
- The Company Statement of Financial Position is in agreement with the accounting records.
- In our opinion the information given in the Directors' Report is consistent with the financial statements and the Directors' Report and has been prepared in accordance with the Companies Act 2014.

Corporate Governance Statement
The Listing Rules and ISAs (Ireland) require us to review the Directors' statement in relation to going concern, longer-term viability and the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:
- the Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 58;
- the Directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 58;
- the Directors' statement on fair, balanced and understandable set out on page 113;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks and the disclosures in the Annual Report and Financial Statements that describe the principal risks and the procedures in place to identify emerging risks and an explanation of how they are being managed or mitigated set out on page 108;
- the section of the Annual Report and Financial Statements that describes the review of effectiveness of risk management and internal control systems set out on page 83; and
- the section describing the work of the Audit and Risk Committee set out on page 82 to page 87.

Matters on which we are required to report by exception
Based on the knowledge and understanding of the Group and the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of Directors' remuneration and transactions specified by law are not made.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Kevin Sheehan
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, Earlsfort Terrace, Dublin 2
27 November 2023

Notes: An audit does not provide assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular on whether any changes may have occurred to the financial statements since first published. These matters are the responsibility of the directors but no control procedures can provide absolute assurance in this area.

Legislation in Ireland governing the preparation and dissemination of financial statements differs from legislation in other jurisdictions.

Group Income Statement
financial year ended 29 September 2023

		2023*			2022		
	Notes	Pre-exceptional £m	Exceptional (Note 7) £m	Total £m	Pre-exceptional £m	Exceptional (Note 7) £m	Total £m
Revenue	2	**1,913.7**	**–**	**1,913.7**	1,739.6	–	1,739.6
Cost of sales		**(1,344.9)**	**–**	**(1,344.9)**	(1,216.6)	–	(1,216.6)
Gross profit		**568.8**	**–**	**568.8**	523.0	–	523.0
Operating costs before acquisition-related amortisation	3	**(491.4)**	**(6.7)**	**(498.1)**	(449.6)	(16.5)	(466.1)
Impairment of trade receivables	22	**(1.1)**	**–**	**(1.1)**	(1.2)	–	(1.2)
Group operating profit/(loss) before acquisition related amortisation		**76.3**	**(6.7)**	**69.6**	72.2	(16.5)	55.7
Amortisation of acquisition-related intangibles		**(3.6)**	**–**	**(3.6)**	(3.6)	–	(3.6)
Group operating profit/(loss)		**72.7**	**(6.7)**	**66.0**	68.6	(16.5)	52.1
Finance income	8	**0.7**	**–**	**0.7**	0.2	–	0.2
Finance costs	8	**(21.5)**	**–**	**(21.5)**	(12.5)	–	(12.5)
Profit/(loss) before taxation		**51.9**	**(6.7)**	**45.2**	56.3	(16.5)	39.8
Taxation	9	**(10.5)**	**1.2**	**(9.3)**	(10.5)	3.0	(7.5)
Profit/(loss) for the financial year attributable to the equity holders		**41.4**	**(5.5)**	**35.9**	45.8	(13.5)	32.3
Earnings per share (pence)							
Basic earnings per share	10			**7.2**			6.2
Diluted earnings per share	10			**7.2**			6.1

* The financial year is the 52 week period ended 29 September 2023 with comparatives for the 53 week period ended 30 September 2022.

Group Statement of Comprehensive Income
financial year ended 29 September 2023

	Notes	2023* £m	2022 £m
Other comprehensive income for the financial year			
Items that will not be reclassified to profit or loss:			
Actuarial (loss)/gain on Group legacy defined benefit pension schemes	5	**(9.2)**	14.4
Tax charge on Group legacy defined benefit pension schemes	9	**(0.6)**	(4.1)
		(9.8)	10.3
Items that may subsequently be reclassified to profit or loss:			
Currency translation adjustment		**(0.5)**	1.8
Translation reserve transferred to income statement on disposal of subsidiary		**(0.6)**	–
Cash flow hedges:			
fair value movement taken to equity		**(3.1)**	8.5
transferred to Income Statement for the financial year		**(1.5)**	(1.6)
		(5.7)	8.7
Other comprehensive income for the financial year		**(15.5)**	19.0
Profit for the financial year		**35.9**	32.3
Total comprehensive income for the financial year attributable to equity holders		**20.4**	51.3

* The financial year is the 52 week period ended 29 September 2023 with comparatives for the 53 week period ended 30 September 2022.

Group Statement of Financial Position
at 29 September 2023

	Notes	2023 £m	2022 £m
ASSETS			
Non-current assets			
Goodwill and intangible assets	12	**461.1**	468.1
Property, plant and equipment	13	**315.5**	319.4
Right-of-use assets	14	**41.0**	44.4
Investment property	15	**4.6**	3.1
Retirement benefit assets	24	**18.4**	39.8
Derivative financial instruments	21	**3.7**	12.4
Deferred tax assets	9	**28.8**	37.1
Trade and other receivables		**0.1**	0.3
Total non-current assets		**873.2**	924.6
Current assets			
Inventories	16	**72.9**	63.3
Trade and other receivables	17	**234.2**	248.7
Cash and cash equivalents	19	**116.5**	99.6
Derivative financial instruments	21	**0.9**	2.5
Total current assets		**424.5**	414.1
Total assets		**1,297.7**	1,338.7
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	25	**4.8**	5.2
Share premium		**89.7**	89.7
Other reserves		**120.8**	127.8
Retained earnings		**244.5**	242.9
Total equity		**459.8**	465.6
LIABILITIES			
Non-current liabilities			
Borrowings	20	**125.8**	209.8
Lease liabilities	14	**30.7**	33.6
Other payables	18	**2.4**	2.7
Provisions	23	**6.9**	5.2
Retirement benefit obligations	24	**38.5**	60.1
Deferred tax liabilities	9	**15.2**	18.9
Total non-current liabilities		**219.5**	330.3
Current liabilities			
Borrowings	20	**144.7**	69.8
Trade and other payables	18	**446.0**	445.1
Lease liabilities	14	**14.3**	14.4
Derivative financial instruments	21	**–**	0.1
Provisions	23	**3.0**	4.7
Current tax payable		**10.4**	8.7
Total current liabilities		**618.4**	542.8
Total liabilities		**837.9**	873.1
Total equity and liabilities		**1,297.7**	1,338.7

On behalf of the Board

Leslie Van de Walle
Director

Dalton Philips
Director

Group Statement of Cash Flows
financial year ended 29 September 2023

	Notes	2023* £m	2022 £m
Profit before taxation		**45.2**	39.8
Finance income	8	**(0.7)**	(0.2)
Finance costs	8	**21.5**	12.5
Exceptional items	7	**6.7**	16.5
Group operating profit before exceptional items		**72.7**	68.6
Depreciation and impairment of property, plant and equipment and right-of-use assets	13, 14	**56.8**	52.5
Amortisation of intangible assets	12	**6.3**	6.7
Employee share-based payment expense		**3.3**	2.7
Contributions to Group legacy defined benefit pension scheme	24	**(11.1)**	(11.5)
Working capital movement	26	**2.2**	2.0
Net cash inflow from operating activities before exceptional items, interest and tax		**130.2**	121.0
Cash outflow related to exceptional items	7	**(10.9)**	(13.6)
Interest paid (including lease liability interest)		**(17.6)**	(16.7)
Tax (paid)/refunded		**(2.7)**	2.2
Net cash inflow from operating activities		**99.0**	92.9
Cash flow from investing activities			
Purchase of property, plant and equipment		**(36.0)**	(48.6)
Purchase of intangible assets		**(1.4)**	(1.4)
Disposal of undertakings	28	**6.1**	–
Net cash outflow from investing activities		**(31.3)**	(50.0)
Cash flow from financing activities			
Ordinary Shares purchased – own shares		**(3.9)**	(3.0)
Capital return via share buyback		**(26.2)**	(8.8)
(Repayment)/drawdown of bank borrowings	22	**(20.2)**	9.6
Repayment of Private Placement Notes	22	**(15.5)**	(47.3)
Settlement of swaps on maturity of Private Placement Notes		**(0.1)**	(2.6)
Repayment of lease liabilities	14	**(15.6)**	(17.3)
Net cash outflow from financing activities		**(81.5)**	(69.4)
Net decrease in cash and cash equivalents and bank overdrafts		**(13.8)**	(26.5)
Reconciliation of opening to closing cash and cash equivalents and bank overdrafts			
Cash and cash equivalents and bank overdrafts at beginning of the financial year	19	**46.7**	73.6
Translation adjustment		**(0.1)**	(0.4)
Decrease in cash and cash equivalents and bank overdrafts		**(13.8)**	(26.5)
Cash and cash equivalents and bank overdrafts at end of the financial year	19	**32.8**	46.7

* The financial year is the 52 week period ended 29 September 2023 with comparatives for the 53 week period ended 30 September 2022.

Group Statement of Changes in Equity
financial year ended 29 September 2023

	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Total equity £m
At 30 September 2022	**5.2**	**89.7**	**127.8**	**242.9**	**465.6**
Total comprehensive income for the financial year					
Actuarial loss on Group legacy defined benefit pension schemes	**–**	**–**	**–**	**(9.2)**	**(9.2)**
Tax charge on Group legacy defined benefit pension schemes	**–**	**–**	**–**	**(0.6)**	**(0.6)**
Currency translation adjustment	**–**	**–**	**(0.5)**	**–**	**(0.5)**
Translation reserve transferred to Income Statement on disposal of subsidiary	**–**	**–**	**(0.6)**	**–**	**(0.6)**
Cash flow hedge fair value movement taken to equity	**–**	**–**	**(3.1)**	**–**	**(3.1)**
Cash flow hedge transferred to income statement	**–**	**–**	**(1.5)**	**–**	**(1.5)**
Profit for the financial year	**–**	**–**	**–**	**35.9**	**35.9**
Total comprehensive income for the financial year	**–**	**–**	**(5.7)**	**26.1**	**20.4**
Transactions with equity holders of the Company contributions and distributions					
Employee share-based payments expense	**–**	**–**	**3.6**	**–**	**3.6**
Tax on share-based payments	**–**	**–**	**–**	**0.3**	**0.3**
Exercise, lapse or forfeit of share-based payments	**–**	**–**	**(3.3)**	**3.3**	**–**
Shares acquired by Employee Benefit Trust[A]	**–**	**–**	**(3.9)**	**–**	**(3.9)**
Transfer to retained earnings on grant of shares to beneficiaries of the Employee Benefit Trust[B]	**–**	**–**	**1.9**	**(1.9)**	**–**
Capital return via share buyback[C]	**(0.4)**	**–**	**0.4**	**(26.2)**	**(26.2)**
Total transactions with equity holders of the Company	**(0.4)**	**–**	**(1.3)**	**(24.5)**	**(26.2)**
At 29 September 2023*	**4.8**	**89.7**	**120.8**	**244.5**	**459.8**

	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Total £m
At 24 September 2021	5.3	89.7	121.4	206.8	423.2
Total comprehensive income for the financial year					
Actuarial gain on Group legacy defined benefit pension schemes	–	–	–	14.4	14.4
Tax charge on Group legacy defined benefit pension schemes	–	–	–	(4.1)	(4.1)
Currency translation adjustment	–	–	1.8	–	1.8
Cash flow hedge fair value movement taken to equity	–	–	8.5	–	8.5
Cash flow hedge transferred to income statement	–	–	(1.6)	–	(1.6)
Profit for the financial year	–	–	–	32.3	32.3
Total comprehensive income for the financial year	–	–	8.7	42.6	51.3
Transactions with equity holders of the Company contributions and distributions					
Employee share-based payments expense	–	–	3.0	–	3.0
Tax on share-based payments	–	–	–	(0.1)	(0.1)
Exercise, lapse or forfeit of share-based payments		–	(2.8)	2.8	–
Shares acquired by Employee Benefit Trust[A]	–	–	(3.0)	–	(3.0)
Transfer to retained earnings on grant of shares to beneficiaries of the Employee Benefit Trust[B]	–	–	0.4	(0.4)	–
Capital return via share buyback[C]	(0.1)	–	0.1	(8.8)	(8.8)
Total transactions with equity holders of the Company	(0.1)	–	(2.3)	(6.5)	(8.9)
At 30 September 2022*	5.2	89.7	127.8	242.9	465.6

Other reserves

	Share-based payment reserve(D) £m	Own shares(E) £m	Undenominated capital reserve(F) £m	Hedging reserve(G) £m	Foreign currency translation reserve(H) £m	Total £m
At 30 September 2022	**3.8**	**(4.4)**	**120.5**	**8.1**	**(0.2)**	**127.8**
Total comprehensive income for the financial year						
Currency translation adjustment	**–**	**–**	**–**	**–**	**(0.5)**	**(0.5)**
Translation reserve transferred to Income Statement on disposal of subsidiary	**–**	**–**	**–**	**–**	**(0.6)**	**(0.6)**
Cash flow hedge taken to equity	**–**	**–**	**–**	**(3.1)**	**–**	**(3.1)**
Cash flow hedge transferred to Income Statement	**–**	**–**	**–**	**(1.5)**	**–**	**(1.5)**
Total recognised income and expense for the financial year	**–**	**–**	**–**	**(4.6)**	**(1.1)**	**(5.7)**
Transactions with equity holders of the Company contributions and distributions						
Employee share-based payments expense	**3.6**	**–**	**–**	**–**	**–**	**3.6**
Exercise, lapse or forfeit of share options	**(3.3)**	**–**	**–**	**–**	**–**	**(3.3)**
Shares acquired by Employee Benefit Trust(A)	**–**	**(3.9)**	**–**	**–**	**–**	**(3.9)**
Transfer to retained earnings on grant of shares to beneficiaries of the Employee Benefit Trust(B)	**–**	**1.9**	**–**	**–**	**–**	**1.9**
Capital return via share buyback(C)	**–**	**–**	**0.4**	**–**	**–**	**0.4**
Total transactions with equity holders of the Company	**0.3**	**(2.0)**	**0.4**	**–**	**–**	**(1.3)**
At 29 September 2023*	**4.1**	**(6.4)**	**120.9**	**3.5**	**(1.3)**	**120.8**

	Share-based payment reserve(D) £m	Own shares(E) £m	Undenominated capital reserve(F) £m	Hedging reserve(G) £m	Foreign currency translation reserve(H) £m	Total £m
At 24 September 2021	3.6	(1.8)	120.4	1.2	(2.0)	121.4
Total comprehensive income for the financial year						
Currency translation adjustment	–	–	–	–	1.8	1.8
Cash flow hedge taken to equity	–	–	–	8.5	–	8.5
Cash flow hedge transferred to Income Statement	–	–	–	(1.6)	–	(1.6)
Total recognised income and expense for the financial year	–	–	–	6.9	1.8	8.7
Transactions with equity holders of the Company contributions and distributions						
Employee share-based payments expense	3.0	–	–	–	–	3.0
Exercise, lapse or forfeit of share options	(2.8)	–	–	–	–	(2.8)
Shares acquired by Employee Benefit Trust(A)	–	(3.0)	–	–	–	(3.0)
Transfer to retained earnings on grant of shares to beneficiaries of the Employee Benefit Trust(B)	–	0.4	–	–	–	0.4
Capital return via share buyback(C)	–	–	0.1	–	–	0.1
Total transactions with equity holders of the Company	0.2	(2.6)	0.1	–	–	(2.3)
At 30 September 2022*	3.8	(4.4)	120.5	8.1	(0.2)	127.8

* The financial year is the 52 week period ended 29 September 2023 with comparatives for the 53 week period ended 30 September 2022.

(A) Pursuant to the terms of the Employee Benefit Trust 5,688,856 shares (2022: 2,180,216) were purchased during the financial year ended 29 September 2023 for a cash cost of £3.9m (2022: £3.0m). Further details are set out in Note 25.

(B) During the financial year, 1,540,738 (2022: 290,044) shares with a nominal value at the date of transfer of £0.015m (2022: £0.0029m) at a cost of £1.9m (2022: £0.4m) were transferred to beneficiaries of the Annual Bonus Plan and the Employee Share Incentive Plan. Further details are set out in Note 25.

(C) During the financial year, the Company, Greencore Group plc purchased and subsequently cancelled 33,382,718 Ordinary Shares (2022: 9,728,677) for a total cash cost of £26.2m (2022: £8.8m) as part of the share buyback programme. Further details are set out in Note 25.

(D) The share-based payment reserve relates to equity settled share-based payments made to employees through the Performance Share Plan, the Annual Bonus Plan, the ShareSave Scheme, the Employee Share Incentive Plan and the Restricted Share Plan. Further information in relation to these share-based payments schemes is set out in Note 6.

(E) The amount included as own shares relates to Ordinary Shares in Greencore Group plc which are held in trust. The shares held in trust are granted to beneficiaries of the Group's employee share award scheme when the relevant conditions of the scheme are satisfied.

(F) The undenominated capital reserve represents the nominal cost of cancelled shares and the amount transferred to reserves as a result of renominalising the share capital of Greencore Group plc on conversion to the euro.

(G) The hedging reserve represents the effective portion of gains or losses on hedging instruments from the application of cash flow hedge accounting for which the underlying hedged transaction is not impacting profit or loss. The cumulative deferred gain or loss on the hedging instrument is reclassified to profit or loss only when the hedged transaction is no longer expected to occur.

(H) The foreign currency translation reserve reflects the exchange difference arising from the translation of the net investments in foreign operations and on borrowings and other currency instruments designated as hedges of such investments which are taken to equity. When a foreign operation is sold, exchange differences that are recorded in equity are recognised in the Group Income Statement as part of the gain or loss on sale.

Notes to the Group Financial Statements
financial year ended 29 September 2023

1. Group Statement of accounting policies
General information
Greencore Group plc ('the Company'), registered number 170116, together with its subsidiaries ('the Group') is a manufacturer of convenience foods in the UK. The Company is a public limited company incorporated and domiciled in the Republic of Ireland and the Company's shares are publicly traded on the London Stock Exchange. The address of its registered office is 2 Northwood Avenue, Northwood Business Park, Santry, Dublin 9, Ireland, D09 X5N9.

Statement of compliance
The Group Financial Statements of Greencore Group plc have been prepared in accordance with International Financial Reporting Standards ('IFRS') and their interpretations approved by the International Accounting Standards Board ('IASB') as adopted by the European Union ('EU') and those parts of the Companies Act 2014, applicable to companies reporting under IFRS.

Basis of preparation
The Group Financial Statements, which are presented in sterling and rounded to the nearest million (unless otherwise stated), have been prepared on a going concern basis under the historical cost convention, except where assets and liabilities are stated at fair value in accordance with relevant accounting policies.

The accounting policies applied in the preparation of the Group Financial Statements for the financial year ended 29 September 2023 have been applied consistently by the Group and have been consistently applied to all years presented, unless otherwise stated.

The Group Financial Statements are prepared to the Friday nearest to 30 September. Accordingly, these Financial Statements are prepared for the 52-week period ended 29 September 2023 ('financial year'). Comparatives are for the 53-week period ended 30 September 2022. The Statement of Financial Positions for 2023 and 2022 have been prepared as at 29 September 2023 and 30 September 2022 respectively.

The loss attributable to equity shareholders dealt with in the Financial Statements of the Parent Company was £5.6m (2022: loss of £4.8m).

In accordance with Section 304 of the Companies Act 2014, the Company is availing of the exemption from presenting its individual profit and loss account, which forms part of the approved Financial Statements, to the Annual General Meeting and from filing it with the Registrar of Companies.

Going concern
The Directors, after making enquiries, have a reasonable expectation that the Group has adequate resources to continue operating as a going concern for the foreseeable future.

In the current period, the Group continued to operate in a complex trading environment linked to ongoing challenges with inflation.

Accordingly, the Directors have considered a number of scenarios for the next 18 months from the commencement of FY24. These scenarios consider the potential impact of inflation on consumer spending, along with consideration of under recovery of targets set out under the Group's commercial and operational initiatives. The impact on revenue, profit and cashflow are modelled, including the consequential impact on working capital.

The scenarios assumed by the Group are as follows:
- A base case assuming internally approved budget and strategic plans, which includes amounts for near term climate change related expenditure;
- A downside scenario which assesses the potential impact of inflation on consumer spending and corresponding impact on volume, along with under recovery of targets set out under the Group's commercial and operational initiatives; and
- A severe downside scenario which includes further potential impacts on volume due to the inflationary environment and further under recovery of targets set out under the Group's commercial and operational initiatives.

In each scenario, the Group would employ mitigants within its control, which would include a reduction in non-business critical capital projects and other discretionary cash flow items.

While the Group is in a net current liability position of £193.9m (2022: £128.7m) at 29 September 2023, the Group has retained financial strength and flexibility, with cash and undrawn committed bank facilities of £327.8m at 29 September 2023 (September 2022: £398.0m).

Subsequent to the financial year end, the Group has refinanced its debt facilities with a new five-year £350m sustainability-linked revolving credit facility ('RCF'), maturing in November 2028 with the option to extend for up to a further two years. This new facility replaces the existing £340m RCF that was due to mature in January 2026. A £45m term loan due to mature in June 2024 was also repaid in full as part of this debt restructuring.

The Group is satisfied that there is sufficient headroom in the financial covenants under facilities for each scenario.

Based on these scenarios and the resources available to the Group, including the post year end re-financing, the Directors believe the Group has sufficient liquidity to manage through a range of different cashflow scenarios over the next 18 months from the financial year end date. Accordingly, the Directors adopt the going concern basis in preparing these Group Financial Statements.

Significant accounting judgements and significant sources of estimation uncertainty

The preparation of the Group Financial Statements in accordance with IFRS requires management to make certain estimates, assumptions and judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes in accounting estimates may be necessary if there are changes in the circumstances on which the estimate was based or as a result of new information or more experience. Therefore, although these estimates are based on management's best estimate of the amount, event or actions, actual results ultimately may differ from those estimates. Such changes are recognised in the financial year in which the estimate is revised. The Group has considered the impact of climate change on the Financial Statements in the going concern assessment, as climate related expenditure is recorded in the underlying budget and strategic plan (page 128). The Group has also considered the impact of climate change on the impairment of non-financial assets (Notes 12 and 13) and as part of the assumptions underpinning the retirement benefit obligations (Note 24).

Significant accounting judgements

Below are the significant accounting judgements, apart from those involving estimations (which are dealt with separately below), that are exercised in applying the Group accounting policies. In the prior year, the Group included going concern as a significant judgement. In FY23, going concern is no longer considered to be a significant judgement for the Group. This is because the Group has continued to improve performance during FY23, the Group has continued to meet its covenant requirements under banking facility agreements and the uncertainty that was present in the external environment in the UK has reduced. The Group has continued to unlock further value through the Group's restructuring, and commercial and operational efficiency programmes. Therefore, the Group does not consider going concern to be a significant judgement for FY23.

Accounting for exceptional items (Note 7)

The Group consider that items of income or expense which by virtue of their quantitative scale and/or qualitative nature should be disclosed separately if the Group Financial Statements are to fairly present the financial position and financial performance of the Group. The Group label these items collectively as 'exceptional items'.

Determining which transactions are to be considered exceptional in nature is often a subjective matter. However, circumstances that the Group believe would give rise to exceptional items for separate disclosure are outlined in the exceptional accounting policy on page 138. All exceptional items are included on the appropriate Income Statement line item to which they relate. In addition, for clarity, separate disclosure is made of all items in one column on the face of the Group Income Statement.

Taxation (Note 9)

Provisions for current and deferred taxes require judgement in areas where the treatment of certain items may be the subject of debate with tax authorities. The Group provide for current and deferred taxes using the method that best predicts the resolution of the uncertainty. The Group is required to consider the range of possible outcomes for a number of transactions and/or calculations across all the jurisdictions where the Group is subject to income taxes and to provide for current and deferred taxes accordingly, applying either the 'expected value method' or the 'most likely method' for each uncertainty dependent on the method that we expect to better predict the resolution of the uncertainty in each case. The Group consider this to be a judgemental area, due to the increasing complexity and a period of significant change in tax legislation worldwide.

Recognition of deferred tax assets requires consideration of the value of those assets and the likelihood that those assets will be utilised in the foreseeable future. The recognition relies on the availability of sound and relatively detailed forecast information regarding the future performance of the business which has the legal right to utilise the deferred tax assets. The Group performed its assessment of the recovery of deferred tax assets at 29 September 2023, taking into account the Group's actual and historic performance, the impact of tax legislation enacted at the reporting date and the detailed financial forecasts and budgets for the business covering the periods over which the assets are expected to be utilised.

Provisions (Note 23)

The recognition of provisions is a key judgement area in the preparation of the Group Financial Statements due to the uncertainty around the timing or amount for which the provision will be settled. The Group recognises provisions for property dilapidation, remediation or closure costs and other items such as restructuring or legal provisions. Provisions are recognised when the Group has a legal or constructive obligation and judgement is required relating to the level of provision required at the reporting date to satisfy the obligation. These liabilities recognised in the Group Financial Statements require judgement, as to the level of provision to be recognised, based on the information available to management at the time of determination of the liability. Provisions are reassessed at each reporting date. In FY23, the Group re-assessed the provisions for remediation with the key judgement being when the provisions would be utilised and remediation completed. This resulted in an increase to provisions of £1.2m during FY23. The Group holds £9.9m of provisions at 29 September 2023 (2022: £9.9m).

Notes to the Group Financial Statements continued
financial year ended 29 September 2023

1. Group Statement of accounting policies continued

Significant sources of estimation uncertainty

The Group's significant estimates are those with a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of goodwill (Note 12)

The Group has capitalised goodwill of £447.3m at 29 September 2023 (2022: £449.4m). Goodwill is required to be tested for impairment at least annually or more frequently if changes in circumstances or the occurrence of events indicating potential impairment exist. As the Group's market capitalisation was lower than the Group's net assets, the Group has identified the impairment of goodwill as a significant source of estimation uncertainty.

The Group uses the present value of future cash flows to determine the recoverable amount. In calculating the value in use, management judgement and estimation is required in forecasting cash flows of Cash Generating Units ('CGUs'), in determining terminal growth values and in setting an appropriate discount rate. Sensitivities to changes in assumptions are detailed in Note 12.

Post-retirement benefits (Note 24)

The Group has identified post-retirement benefits as a significant source of estimation uncertainty in the preparation of the Group Financial Statements. The estimation of, and accounting for, retirement benefit obligations involve assessments made in conjunction with independent actuaries. These involve estimating the actuarial assumptions including mortality rates of members, increase in pension payments and inflation-linked increases to certain obligations and discount rates used in estimating the present value of the schemes assets and liabilities. In FY23, there was a significant change in the Group's retirement benefit obligations as a result of the completion of the annuity buy-in transaction and other changes in financial assumptions.

Details of the financial position of the post-retirement benefit schemes and the sensitivity of assumptions are set out in Note 24.

New standards and interpretations

The following changes to IFRS became effective or were adopted by the Group during the financial year but did not result in material changes to the Group's Consolidated Financial Statements:

- Amendments to IAS 37 Onerous Contracts – Costs of Fulfilling a Contract
- Annual improvements to IFRS standards 2018 – 2020
- Amendments to IAS 16 *Property, Plant and Equipment* – Proceeds before Intended Use
- Amendments to IFRS 3 Reference to the Conceptual Framework
- Amendments to IAS 12: International Tax Reform – Pillar Two Model Rules

The Group is within the scope of the OECD Pillar Two model rules. Pillar Two legislation is expected to be enacted in Ireland in December 2023 and will come into effect from 1 January 2024. Since the Pillar Two legislation is not effective at the reporting date of 29 September 2023, the Group has no related current tax exposure. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023. Under the new legislation, groups will be liable to assess their effective tax rate (according to complex new rules) in each jurisdiction that they operate. If the effective tax rate in any jurisdiction is less than the 15% minimum rate top up taxes will be payable. The Group are not expecting to pay top up taxes in the period ending in September 2024. The Group will continue to assess its position to estimate any impact.

New and amended standards and interpretations not yet mandatorily effective

The Group has not applied certain new standards, amendments and interpretations to existing standards which are not yet mandatorily effective:

- IFRS 17 *Insurance Contracts*
- Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies
- Amendments to IAS 8 Definition of Accounting Estimate
- Amendments to IFRS 16 Lease Liability in Sale and Leaseback Arrangements
- Amendments to IAS 12 Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction
- Amendments to IAS 1 Classification of Liabilities as Current or Non-current*
- Amendments to IAS 1 Non-current Liabilities with Covenants*
- Amendments to IAS 21 Lack of Exchangeability*
- Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements*

* The above standards/amendments have not yet been endorsed by the EU.

- IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information*
- IFRS S2 *Climate-related Disclosures*

The International Sustainability Standards Board ('ISSB') has issued its inaugural standards IFRS S1 and IFRS S2 which will bring in a new era of sustainability-related disclosures. The Group is reviewing the impact of IFRS S1 and IFRS S2 on future Financial Statements.

Basis of consolidation

The Group Financial Statements comprise the Financial Statements of the parent undertaking and its subsidiary undertakings.

Subsidiaries

Subsidiary undertakings are included in the Group Financial Statements from the date on which control over the operating and financial policies is obtained and cease to be consolidated from the date on which control is transferred out of the Group. The Group controls an entity when it has power over the entity, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control. All intra-Group transactions, balances and unrealised gains on transactions between Group undertakings are eliminated on consolidation. Unrealised losses are also eliminated, except where they provide evidence of impairment.

Revenue recognition

The Group's revenue is primarily derived from the manufacture of convenience food products and all revenue relates to revenue from contracts with customers. The Group's customer contracts typically include one performance obligation, with revenue recognised when the performance obligation is satisfied.

Revenue is measured based on the consideration specified in a contract with a customer and represents the fair value of the sale of goods and rendering of services to external customers, net of value added tax and rebates in the ordinary course of the Group's activities. Many of the Group's revenue contracts include an element of variable consideration, such as trade discounts, namely in the form of rebate arrangements or other incentives to customers. The arrangements can take the form of volume and fixed rebates, marketing fund contributions, promotional fund contributions or lump sum incentives. The Group recognises revenue, net of such incentives in the period in which the arrangement applies, only when it is highly probable a significant reversal in the cumulative amount of revenue will not occur. Volume-based rebates are calculated on the Group's estimate of rebates expected to be paid to customers using the 'most likely amount' in line with *IFRS 15 Revenue from Contracts with Customers requirements,* whereas fixed rebates are accounted for as a reduction in revenue over the life of the contract.

Revenue is recognised at a point in time, when control of the goods or services are transferred to the customer, which is determined to be either when the goods are dispatched or received by the customer, depending on individual contracts.

Supplier rebates

The Group enters into rebate arrangements with its suppliers, which are volume related. These supplier rebates received are recognised as a deduction from cost of sales, based on the entitlement that has been earned up to the reporting date, for each relevant supplier arrangement.

Property, plant and equipment

Freehold land and capital work in progress are stated at cost less impairment, if any. All other property, plant and equipment are shown at cost less depreciation and any impairments. The cost of all property, plant and equipment comprises its purchase price and any directly attributable costs.

Depreciation is provided so as to write off the cost less residual value of each item of property, plant and equipment during its expected useful life using the straight-line method over the following periods:

- Freehold and long leasehold buildings 25–50 years
- Plant and machinery 3–25 years
- Fixtures and fittings 3–25 years

Useful lives and residual values are reassessed annually.

Subsequent costs incurred relating to specific assets are included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are charged to the profit or loss during the financial period in which they are incurred.

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable. When the carrying amount exceeds the estimated recoverable amount, the assets are written down to their recoverable amount.

The recoverable amount of property, plant and equipment is the greater of fair value less costs of disposal and value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognised in profit or loss.

Notes to the Group Financial Statements continued
financial year ended 29 September 2023

1. Group Statement of accounting policies continued
Property, plant and equipment continued
An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss. Following the recognition or reversal of an impairment loss, the depreciation charge applicable to the asset is adjusted prospectively in order to systematically allocate the revised carrying amount, net of any residual value, over the remaining useful life.

Gains or losses on the disposal of property, plant and equipment represent the difference between the net proceeds and the carrying value at the date of sale.

Leases
The Group leases various properties, motor vehicles and equipment. Rental contracts are typically made for fixed periods but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A right-of-use asset and lease liability are recognised at commencement for contracts containing a lease, with the exception of leases with a term of 12 months or less or leases where the underlying asset is of low value. For those leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another more systematic basis is more representative of the time pattern in which the economic benefits from the leased assets are consumed by the Group.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the interest rate implicit in the lease or if this rate cannot be readily determined, the incremental borrowing rate. Lease payments include fixed payments, payments for an optional renewal period and termination option payments. The lease term is the non-cancellable period for which the Group have the right to use an underlying asset, together with (i) periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option, and (ii) periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. The Group has applied judgement to determine the lease term for lease contracts that include renewal options and break clauses.

Following initial recognition, the lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future minimum lease payments or when the Group changes its assessment of whether it is reasonably certain to exercise an option within a contract.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the asset less any lease incentives received. After lease commencement, the Group measures right-of-use assets using a cost model, reflecting cost less accumulated depreciation and impairment. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of lease term.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:
- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used; or
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Goodwill
Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. On acquisition, goodwill is allocated to CGUs expected to benefit from the combination's synergies. Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Any impairment is recognised immediately in profit or loss.

Acquisition-related intangibles
An intangible asset, which is an identifiable non-monetary asset without physical substance, is capitalised separately from goodwill as part of a business combination to the extent that it is probable that the expected future economic benefits attributable to the asset will accrue to the Group and that its fair value can be measured reliably. The asset is determined to be identifiable when it is separable (i.e. capable of being divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability) or when it arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the Group or from other rights and obligations.

Subsequent to initial recognition, the acquisition-related intangible assets acquired as part of a business combination, are carried at cost less any accumulated amortisation and any accumulated impairment losses. The carrying amounts of intangible assets with finite lives are reviewed for indicators of impairment at each reporting date and are subject to impairment testing when events or changes in circumstances indicate that the carrying values may not be recoverable. Any impairment charge is taken to profit or loss.

The amortisation of intangible assets is calculated to write off the carrying amount of intangible assets with finite lives over their useful lives on a straight-line basis on the assumption of zero residual value. Customer-related intangible assets are amortised over periods ranging from one to seven years.

The useful life used to amortise intangible assets relates to the future performance of the assets acquired and management's estimate of the period over which economic benefit will be derived from the asset. The remaining useful life of intangible assets with finite lives are reviewed at the end of each reporting period and revised where appropriate to reflect the period over which the Group will receive the economic benefit from use.

Computer software
Costs incurred on the acquisition of computer software and software licences are capitalised. Other costs directly associated with developing and upgrading computer software programs are capitalised once the recognition criteria set out in IAS 38 *Intangible Assets* are met. There is a full assessment carried out to ensure the computer software does not qualify as software as a service and should be expensed to the profit or loss in the financial year.

Following initial recognition, computer software is carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is charged to profit or loss during its expected useful life using the straight-line method over the following periods:

Computer software	3–7 years

The carrying amount of computer software assets are reviewed for indicators of impairment at each reporting date and are subject to impairment testing when events or changes in circumstances indicate the carrying value may not be recoverable.

Investment property
Investment property is shown at cost less depreciation and any impairment. The cost of investment property comprises its purchase price and any costs directly attributable to bringing it into working condition for its intended use. Investment property is depreciated so as to write off the cost, less residual value, on a straight-line basis over the expected life of each property. Freehold land is not depreciated.

An impairment to investment property is recognised when the carrying value of the asset exceeds the recoverable value. The recoverable value is determined as the higher of the fair value less costs of disposal and the assets value in use. Fair value is determined by the Directors, assisted by external property valuers.

Rental income arising on investment property is accounted for as an operating lease in line with the requirements of IFRS 16 *Leases* and is recognised within other operating income.

In relation to the recognition of income on the disposal of property, income is recognised when there is an unconditional exchange of contracts, or when all necessary terms and conditions have been fulfilled.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

Inventories
Inventories are valued at the lower of cost and net realisable value. Cost is calculated based on first-in, first-out or weighted average as appropriate. Cost includes raw materials, direct labour expenses and related production and other overheads net of supplier rebates.

Net realisable value is the estimated selling price, in the ordinary course of business, less all costs necessary to make the sale.

Notes to the Group Financial Statements continued
financial year ended 29 September 2023

1. Group Statement of accounting policies continued
Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligation as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligation may be small.

Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is recognised in the Group Income Statement net of any reimbursement.

A contingent liability is disclosed where the existence of an obligation will only be confirmed by future events, or where the amount of the obligation cannot be measured with reasonable reliability. Contingent assets are not recognised but are disclosed where an inflow of economic benefits is probable.

Finance income and finance costs
Finance income comprises interest income on funds invested and the unwind of discount on assets. Interest income is recognised in profit or loss as it accrues, using the effective interest method.

Finance costs comprises interest expense on borrowings, negative interest, if any, on bank deposits, unwind of discount on liabilities, interest on lease obligations, interest on the net defined benefit pension scheme liabilities, changes in fair value of hedging instruments and other derivatives that are recognised in profit or loss, foreign exchange on inter-company balances and external balances where hedge accounting is not applied. All borrowing costs are recognised in profit or loss using the effective interest method.

Financial instruments
On initial recognition, a financial asset is classified as measured at amortised cost, or fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVPL'). The classification is based on the business model for managing the financial asset and the contractual terms of the cashflows. Reclassification of financial assets is required only when the business model for managing those assets changes.

Financial assets are derecognised when the Group's contractual rights to the cashflows from the financial assets expire, are extinguished or are transferred to a third party.

Financial liabilities are classified as measured at amortised cost or FVPL. Financial liabilities are derecognised when the Group's obligations specified in the contracts expire, are discharged or cancelled. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability, the recognition of a new liability which has the result that the difference in the respective carrying amounts is recognised, together with any resulting costs.

Cash and cash equivalents and bank overdrafts
Cash and cash equivalents are initially recognised at fair value and subsequently carried at amortised cost. Cash and cash equivalents include cash in hand, deposits held on call with banks and other short-term highly liquid investments that are readily convertible to known amounts of cash. These are subject to insignificant risk of changes in value and have an original maturity of three months or less.

The Group operates a cash pooling facility which allows subsidiaries of the Group to drawdown on cash from the pool, where the Group has sufficient cash balances. The cash pooling arrangement operated by the Group includes a legal right of offset, however, it does not meet the requirements for offsetting in accordance with IAS 32 *Financial Instruments: Presentation* and as such bank overdrafts are presented separately to cash on the Group Statement of Financial Position.

Trade and other receivables
Trade and other receivables are initially recognised at transaction price and subsequently carried at amortised cost, net of allowance for expected credit loss.

Trade receivables are derecognised when the Group no longer controls the contractual rights to those receivables. This is normally the case when the asset is sold or the rights to receive cash flows from the asset have expired, and the Group has not retained substantially all the credit risks and control of the receivable has transferred.

Trade and other payables
Trade and other payables are initially recorded at fair value and subsequently at amortised cost.

Borrowings
All loans and borrowings are initially recognised at fair value less any directly attributable transaction costs. After initial recognition, loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Borrowings are derecognised when the Group's obligations specified in the contracts expire, are discharged or cancelled.

When the Group modifies the terms of its debt facilities, it determines if the modification is a substantial or non-substantial modification.

A substantial change is attributable to a change in contractual cashflows of more than 10%, resulting in a derecognition of the existing facilities and recognition of a new facility. A non-substantial modification to facilities results in the recognition of a modification gain or loss in the Income Statement. A modification gain or loss is determined by recalculating the gross carrying value of the borrowings by discounting the new contractual cash flows using the original effective interest rate. The transaction cost associated with modifying the terms of the borrowings are spread forward by the adjusted effective interest rate.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Accrued interest is recorded in accruals within current liabilities.

Derivative financial instruments

The activities of the Group expose it to the financial risks of changes in foreign exchange rates and interest rates. The Group uses derivative financial instruments, such as forward foreign exchange contracts, cross-currency swaps and interest rate swap agreements, to hedge these exposures.

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at fair value.

Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Derivative instruments which are held for trading and are not designated as effective hedging instruments are classified as a current asset or liability (as appropriate) regardless of maturity if the Group expects that they may be settled within 12 months of the reporting date. All other derivative instruments that are not designated as effective hedging instruments are classified by reference to their maturity date. The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and as a current asset or liability if the maturity of the hedged item is less than 12 months.

The fair value of derivative instruments is determined by using valuation techniques. The Group uses its judgement to select the most appropriate valuation methods and makes assumptions that are mainly based on observable market conditions existing at the reporting date.

For those derivatives designated as hedges and for which hedge accounting is sought, the hedging relationship is documented at its inception.

This documentation identifies the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how hedge effectiveness will be measured throughout its duration. Such hedges are expected at inception to be highly effective in offsetting changes in fair values or cash flows of hedged items.

For the purposes of hedge accounting, derivatives are classified as:

- Fair value hedges, when hedging the exposure of changes in the fair value of a recognised asset or liability; or
- Cash flow hedges, when hedging the exposure to variability in cash flows that are either attributable to a particular risk associated with a recognised asset or liability, or a highly probable forecast transaction; or
- Net investment hedges, when hedging the exposure to foreign currency differences between the functional currency of a foreign operation and the functional currency of the parent.

Any gains or losses arising from changes in the fair value of all other derivatives which are classified as held for trading are taken to the income statement and charged to finance income or expense. These may arise from derivatives for which hedge accounting is not applied because they are not designated as hedging instruments. The Group does not use derivatives for trading or speculative purposes.

The hedges that the Group has in place are cash flow hedges and the treatment is set out below:

Cash flow hedge

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised within equity in the hedging reserve, with the ineffective portion being reported in the income statement as finance income or finance costs. When a highly probable forecast transaction results in the recognition of a non-financial asset or liability, the cumulative gain or loss is removed from the hedging reserve in equity and included in the initial measurement of the non-financial asset or liability. Otherwise, the associated gains and losses that had previously been recognised within equity in the hedging reserve are transferred to the income statement as the cash flows of the hedged item impact profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised or no longer qualifies for hedge accounting. At that point in time, any cumulative gain or loss on the hedging instrument recognised within equity in the hedging reserve is kept in the hedging reserve until the forecast transaction occurs. If a hedged transaction is no longer anticipated to occur, the net cumulative gain or loss recognised within equity in the hedging reserve is transferred immediately to the income statement as finance costs.

Notes to the Group Financial Statements continued
financial year ended 29 September 2023

1. Group Statement of accounting policies continued

Segmental reporting

The operating segment, Convenience Foods UK and Ireland, is reported in a manner consistent with the internal management structure of the Group and the internal financial information provided to the Group's Chief Operating Decision Maker who is responsible for making strategic decisions, allocating resources, monitoring and assessing the performance of the segment. The Group reports segmental information by product categories being, food to go categories and other convenience categories and geographical area. Note 2 sets out the operating and reportable segment of the Group.

Taxation

The charge/credit for the financial year comprises current and deferred tax. Tax is recognised in profit or loss except to the extent that it relates to items recognised in the Group Statement of Comprehensive Income or directly in equity, in which case the tax is also recognised in the Group Statement of Comprehensive Income or directly in equity, respectively.

Current tax payable represents the expected tax payable on the taxable income for the financial year, using tax rates and tax laws enacted or substantively enacted at the reporting date, along with any adjustment to tax payable in respect of previous years.

The Group provides in full for deferred tax assets and liabilities (using the liability method), arising from temporary differences between the tax base of assets and liabilities and their carrying amounts in the Group Financial Statements except where they arise from the initial recognition of goodwill or from the initial recognition of an asset or liability that at the date of initial recognition does not affect accounting or taxable profit or loss on a transaction that is not a business combination. Such differences result in an obligation to pay more tax or a right to pay less tax in future periods. A deferred tax asset is only recognised where it is probable that future taxable profits will be available against which the temporary differences giving rise to the asset can be utilised.

Deferred tax assets and liabilities are not subject to discounting and are measured at the tax rates that are enacted or substantively enacted at the reporting date.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The Group is subject to income taxes in a number of jurisdictions. Judgement is required in determining the Group's provision for income taxes.

There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for tax uncertainties based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Once it has been concluded that a liability needs to be recognised, the liability is measured based on either (i) the most likely amount or (ii) the expected value depending on which method the Group expects to better predict the resolution of the uncertainty. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent advice.

Employee benefits

Defined contribution pension plans

A defined contribution pension plan is a plan under which the Group pays fixed contributions into a separate defined contribution scheme. Obligations for contributions to defined contribution pension plans are recognised as an expense within profit or loss as employee service is received.

Defined benefit pension plans

All of the legacy defined benefit pension schemes have been closed to future accrual since 31 December 2009. The cost of providing benefits under the Group's defined benefit pension plans is determined separately for each plan, using the projected unit credit method, by professionally qualified actuaries and arrived at using actuarial assumptions based on market expectations at the reporting date. These valuations attribute entitlement benefits to the current and prior periods to determine current service costs and the present value of defined benefit pension obligations.

Remeasurements, comprising of actuarial gains and losses and the return on plan assets (excluding net interest), are recognised immediately in the Group Statement of Financial Position with a corresponding debit or credit to retained earnings through the Group Statement of Comprehensive Income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:
- The date of the plan amendment or curtailment; and
- The date that the Group recognises restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit pension liability or asset.

When a settlement (eliminating all obligations for defined benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs, the obligation and related plan assets are remeasured using current actuarial assumptions and the resultant gain or loss is recognised in profit or loss during the period in which the settlement or curtailment occurs.

The Group seeks ways to reduce its liabilities through various restructuring activities. When a qualifying insurance policy is purchased for the scheme liabilities, this is treated as a plan asset and the fair value of the insurance policy is determined to be the present value of the related obligations. A settlement will only arise in winding up a scheme, when the Group enters into a transaction that eliminates all further legal or constructive obligations for part or all the benefits provided under a defined benefit plan.

The defined benefit pension asset or liability in the Group Statement of Financial Position comprises the total, for each plan, of the present value of the defined benefit pension obligation (using a discount rate based on high-quality corporate bonds) less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. For unquoted securities, the most recent publicly available information is used to calculate the fair value, which may differ from the financial year end date. The value of a net pension benefit asset is the present value of any economic benefit the Group reasonably expects to recover by way of refund of surplus from the plan at the end of the plan's life or reduction in future contributions to the plan.

Employee share-based payments

The Group grants equity settled share-based payments to employees (through the Performance Share Plan, the Annual Bonus Plan, Employee ShareSave Scheme and Employee Share Incentive Plan). The fair value of these is determined at the date of grant and is expensed to profit or loss with a corresponding increase in equity on a straight-line basis over the vesting period. The fair value is determined using an appropriate valuation model, as measured at the date of grant, excluding the impact of any non-market conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each reporting date, the Group revises its estimates of the number of options or awards that are expected to vest, recognising any adjustment in profit or loss, with a corresponding adjustment to equity.

To the extent that the Group receives a tax deduction relating to services paid for by means of share awards or options, deferred tax is provided on the basis of the difference between the market price of the underlying equity as at the date of grant and the exercise price of the option.

As a result, the deferred tax impact of share options will not directly correlate with the expense reported in profit or loss.

To the extent that the deductible difference exceeds the cumulative charge to the Group Income Statement, it is recorded in equity. When the exercise of share options results in the issuance of shares, the proceeds received are credited to the share capital and share premium accounts.

Foreign currency

Functional and presentational currency

The individual financial statements of each Group entity are measured in the currency of the primary economic environment in which the entity operates (the functional currency). The Group Financial Statements are presented in sterling, which is also the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at financial year end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the Group Income Statement, except when deferred in equity as qualifying cash flow hedges.

Foreign operations

The income statement and statement of financial position of Group entities that have a functional currency different from the presentation currency of the Company are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the reporting date;
- Income and expense items are translated at the average exchange rates for the financial year, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used; and
- All resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations and on long-term borrowings, are taken to equity. When a foreign operation is sold, exchange differences that were recorded in equity are recognised in the Group Income Statement as part of the gain or loss on sale.

Research and development

Expenditure on research and development is recognised as an expense in the period in which it is incurred. An asset is recognised only when all the conditions set out in IAS 38 *Intangible Assets* are met.

Notes to the Group Financial Statements continued
financial year ended 29 September 2023

1. Group Statement of accounting policies continued
Exceptional items
The Group has adopted an income statement format that seeks to highlight exceptional items within the Group's results for the financial year.

Judgement is used by the Group in assessing the particular items which by virtue of their quantitative scale and/or qualitative nature should be disclosed as exceptional items. Such items may include, but are not limited to, significant reorganisation programmes, profits or losses on termination of operations, significant impairments of assets, transaction and integration costs related to acquisition activity, transaction costs related to disposal activity and litigation costs and settlement. Exceptional items are included in a separate column within the Income Statement caption to which they relate and are separately disclosed in the Notes to the Group Financial Statements. Where an item that has been classified as exceptional spans more than one reporting period such as a multi-year restructuring programme, it will also be presented as exceptional in the following period for consistency of presentation. The Group separately presents the cash paid for exceptional items in the Group Statement of Cash Flows and the tax impact in the exceptional note disclosure.

Share capital
Ordinary Shares
Ordinary Shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are taken as a deduction from equity, net of tax, from the proceeds.

Own Share Reserve
The Own Share Reserve relates to Ordinary Shares in the Company, which are held in trust. The shares held in trust are granted to the beneficiaries of the Group's employee share award scheme when the relevant conditions of the scheme are satisfied, with a transfer between the own share reserve and retained earnings when the transfer occurs.

2. Segment information
Convenience Foods UK and Ireland is the Group's operating segment, which represents its reporting segment. This reflects the Group's organisational structure and the nature of the financial information reported to and assessed by the Chief Operating Decision Maker ('CODM') as defined by *IFRS 8 Operating Segments*. The CODM has been identified as the Group's Board of Directors.

The segment incorporates many UK convenience food categories including sandwiches, salads, sushi, chilled snacking, chilled ready meals, chilled soups and sauces, chilled quiche, ambient sauces and pickles, frozen Yorkshire Puddings, as well as the Irish Ingredients trading business.

On 29 September 2023, the Group disposed of the Irish ingredients trading business, Trilby Trading Limited. The Irish ingredients business is included in the segment information up to the date of its disposal and contributed revenue of £80.1m and profit for the financial year of £2.6m for FY23. The Group will continue to have one operating segment going forward as the disposal of the Irish Ingredients business has not resulted in a change in operating segments, however going forward the segment will be disclosed as 'Convenience Foods UK'.

	Convenience Foods UK & Ireland	
	2023 £m	2022 £m
Revenue	**1,913.7**	1,739.6
Group operating profit before exceptional items and amortisation of acquisition-related intangible assets	**76.3**	72.2
Amortisation of acquisition-related intangible assets	**(3.6)**	(3.6)
Group operating profit (pre-exceptional)	**72.7**	68.6
Finance income	**0.7**	0.2
Finance costs	**(21.5)**	(12.5)
Exceptional items	**(6.7)**	(16.5)
Taxation	**(9.3)**	(7.5)
Profit for the financial year	**35.9**	32.3

The following table disaggregates revenue by product categories in the Convenience Foods UK and Ireland reporting segment. The Group's revenue by geography is included on page 139. All income in the Group has been recognised at a point in time and not over time.

	2023 £m	2022 £m
Revenue		
Food to go categories	**1,252.6**	1,161.3
Other convenience categories	**661.1**	578.3
Total revenue for Convenience Foods UK and Ireland	**1,913.7**	1,739.6

Food to go categories includes sandwiches, salads, sushi and chilled snacking while the other convenience categories include chilled ready meals, chilled soups and sauces, chilled quiche, ambient sauces and pickles, frozen Yorkshire Puddings, as well as the Irish Ingredients trading business, which was disposed of on 29 September 2023.

Revenue earned individually from three customers in Convenience Foods UK and Ireland of £348.3m, £280.7m and £274.8m respectively represents more than 10% of the Group's revenue (2022: Revenue earned individually from three customers in Convenience Foods UK and Ireland of £316.0m, £261.0m and £196.3m respectively represents more than 10% of the Group's revenue).

Segment assets and liabilities

All assets and liabilities are allocated to the Convenience Foods UK and Ireland segment. As such, an analysis of assets and liabilities has not been included in this disclosure.

Other segment information

	Convenience Foods UK & Ireland	
	2023 £m	2022 £m
Capital additions*	**37.8**	50.4
Right-of-use asset additions	**13.3**	6.8
Depreciation of property plant and equipment and right of use assets	**53.8**	51.6
Amortisation of computer software and other intangibles	**2.7**	3.1
Amortisation of acquisition-related intangible assets – Customer related	**3.6**	3.6
Non-current assets (excluding derivative financial instruments, retirement benefit assets and deferred tax assets)	**822.3**	835.3

Geographic analysis

	Ireland		UK		Convenience Foods UK & Ireland	
	2023 £m	2022 £m	**2023 £m**	2022 £m	**2023 £m**	2022 £m
Revenue	**80.1**	92.0	**1,833.6**	1,647.6	**1,913.7**	1,739.6
Capital additions*	**–**	–	**37.8**	50.4	**37.8**	50.4
Right-of-use asset additions	**0.3**	–	**13.0**	6.8	**13.3**	6.8
Non-current assets (excluding derivative financial instruments, retirement benefit assets and deferred tax assets	**5.2**	6.6	**817.1**	828.7	**822.3**	835.3

* This denotes capital additions for property, plant and equipment, and software and other intangibles.

3. Operating costs before acquisition-related amortisation

	2023 £m	2022 £m
Employee costs	**224.6**	209.4
Factory overheads and utility costs	**76.8**	63.2
Distribution costs	**66.2**	65.3
Other administrative costs**	**37.6**	30.1
Professional fees	**11.5**	10.1
Depreciation of property, plant and equipment	**37.5**	36.0
Depreciation of right-of-use assets	**16.3**	15.6
Amortisation of computer software and other intangible assets	**2.7**	3.1
Lease rentals charge for low value and short-term leases	**6.4**	5.6
Research and development costs	**6.7**	8.9
Impairment of property, plant and equipment	**3.0**	0.9
Other operating costs	**2.8**	3.2
Rental income from investment properties	**(0.1)**	(0.1)
Other operating income	**(0.6)**	(1.7)
Total operating costs before acquisition-related amortisation and exceptional items	**491.4**	449.6
Exceptional items (Note 7)	**6.7**	16.5
Total operating costs before acquisition-related amortisation	**498.1**	466.1

** Other administrative costs include insurance, IT and sundry administrative expenses.

In the prior financial year, the Group experienced an IT security incident that resulted in a net expense recognised in other operating costs of £1.9m.

Notes to the Group Financial Statements continued
financial year ended 29 September 2023

4. Result for the financial year
The result for the Group for the financial year has been arrived at after charging the following amounts:

	2023 £m	2022 £m
Directors' remuneration		
Emoluments and fees	**2.4**	2.0
Pension costs – defined contribution plans	**0.1**	0.1
Gain on share awards under short term incentive schemes	**0.3**	0.1
Compensation for loss of office	**0.4**	–
Total	**3.2**	2.2

During the current financial year, there were amounts accruing for two of the Directors under defined contribution pension schemes (2022: four).

	2023 £000	2022 £000
Auditor's remuneration		
Fees charged by the statutory audit firm:		
Audit of the Group and subsidiaries financial statements	**882**	797
Audit of the Company financial statements	**47**	42
Tax advisory services	**–**	–
Other assurance services	**25**	25
Non-audit services	**–**	–
Total	**954**	864

5. Employment
The average monthly number of persons (including Executive Directors) employed by the Group during the financial year was:

	2023 Number	2022 Number
Production	**9,890**	9,615
Distribution	**1,553**	1,544
Administration	**2,559**	2,732
	14,002	13,891

The staff costs for the financial year for the above employees were:

	2023 £m	2022 £m
Wages and salaries	**398.6**	380.9
Social insurance costs	**35.6**	35.9
Employee share-based payment expense (Note 6)	**3.6**	3.0
Termination costs	**6.2**	4.8
Pension costs – defined contribution plans (Note 24)	**15.5**	14.1
	459.5	438.7
Legacy defined benefit interest cost (Note 24)	**1.2**	1.1
	460.7	439.8

Total staff costs recognised in the Group profit or loss were £459.7m (2022: £437.5m) while £1.0m of staff costs were capitalised during the financial year (2022: £2.3m).

Actuarial (loss)/gain on Group legacy defined benefit schemes recognised in the Group Statement of Other Comprehensive Income:

	2023 £m	2022 £m
Return on plan assets (Note 24)	**(36.0)**	(141.9)
Actuarial gain arising on scheme liabilities (Note 24)	**26.8**	156.3
Total (loss)/gain taken directly to equity	**(9.2)**	14.4

6. Share-based payments

The Group operates a number of employee share award schemes which are equity settled share-based payments. A recognised valuation methodology is employed to determine the fair value of awards granted as set out in IFRS 2 *Share-based payments* is described in the following sections for each share scheme. The charge incurred relating to these awards is recognised within operating costs, unless specified as an exceptional item. Details of each of the employee share schemes operated by the Group are set out below.

Annual Bonus Plan

Members of the Group Executive team and certain senior management participate in the Annual Bonus Plan as outlined in the Report on Directors' Remuneration. In accordance with this plan, a deferred share award equal to a proportion of the cash bonus is awarded to the participating executives. The number of shares is calculated at market value on the date of allocation, to be held by a Trustee for the benefit of individual participants without any additional performance conditions other than three years of service. The shares vest after three years but are forfeit should an executive voluntarily leave the Group within the three-year time period, subject to normal 'good leaver' provisions. The charge recognised in the Group Income Statement was £0.9m (2022: £0.5m) with £0.6m (2022: £0.2m) being recognised within operating costs and £0.3m (2022: £0.3m) being recognised within exceptional items.

The share price, for awards granted in December 2022 was £0.68 (December 2021: £1.29).

On 1 December 2022 and 1 December 2021, 766,481 and 862,426 awards, respectively, were granted to members of the Group Executive team and certain senior management of the Group under the Annual Bonus Plan.

The following table illustrates the number of, and movements in, share awards during the financial year under the plan:

	2023 Number outstanding	2022 Number outstanding
At beginning of financial year	**1,319,090**	942,200
Granted	**766,481**	862,426
Vested	**(1,491,539)**	(264,968)
Forfeited	**–**	(220,568)
At end of financial year	**594,032**	1,319,090
Exercisable at end of financial year	**–**	426,857

Awards will be granted to members of the Group Executive team and certain senior management of the Group under the Annual Bonus Plan in respect of the financial year ended 29 September 2023. A charge amounting to £0.1m (2022: £0.05m) relating to awards to Executive Directors and £0.1m (2022: £0.1m) relating to awards to other members of the Group Executive Team and certain senior management has been included in the Group Income Statement in respect of the estimated 2023 charge. The total fair value of the awards will be taken as a charge to the Group Income Statement over the vesting period of the awards.

Performance Share Plan

Certain employees participate in a long-term incentive scheme, the Performance Share Plan. In accordance with the scheme rules, participants are awarded an allotment of shares which will vest over three years subject to vesting conditions based on growth in Adjusted Earnings per Share, Return on Invested Capital and relative Total Shareholder Return ('TSR'). An additional two-year future service period will apply to Executive Directors' vested shares before they are released.

In January 2021, the Group introduced different vesting conditions for awards granted which included an absolute TSR and a relative TSR component. In addition, the awards granted have graded vesting periods of one, two and three years with a two-year and one-year holding period for awards vesting within three years.

The number of share awards granted is calculated based on the market value on the date of allocation. Share awards are forfeited should an executive voluntarily leave the Group prior to the vesting date, subject to normal 'good leaver' provisions. The fair value of the award has attributed a value to each vesting condition. The relative TSR is fair valued using a Monte Carlo simulation as described further in this note. A charge amounting to £0.6m (2022: £0.9m) was included in the Group Income Statement in the financial year ended 29 September 2023 relating to these awards for all Performance Share Plan awards granted from December 2019 onwards.

The following table illustrates the number of, and movements in, share awards during the financial year under the plan:

	2023 Number outstanding	2022 Number outstanding
At beginning of financial year	**6,089,094**	7,707,473
Granted	**8,749,839**	3,048,764
Expired	**(1,642,783)**	(2,575,145)
Forfeited	**(2,443,628)**	(2,091,998)
At end of financial year	**10,752,522**	6,089,094
Exercisable at end of financial year	**–**	–

Notes to the Group Financial Statements continued
financial year ended 29 September 2023

6. Share-based payments continued

ShareSave Schemes

The Group operates savings-related share option schemes in both the UK and Ireland. Options are granted at a discount of between 20% and 25% of the market price at the date of invitation over three-year savings contracts and awards are exercisable during the six-month period following completion of the savings contract. The charge recognised in the Group Income Statement in respect of these awards was £1.1m (2022: £1.2m). Grant date fair value was arrived at by applying a trinomial model, which is a lattice option-pricing model.

During the financial year ended 29 September 2023, ShareSave Scheme awards were granted over 12,209,146 shares in the UK only, which will ordinarily be exercisable at an exercise price of £0.63 per share, during the period 1 September 2026 to 28 February 2027. The weighted average fair value of share awards granted during the financial year ended 29 September 2023 was £0.14.

During the financial year ended 30 September 2022, ShareSave Scheme awards were granted over 6,231,802 shares in the UK only, which will ordinarily be exercisable at an exercise price of £0.91 per share, during the period 1 September 2025 to 28 February 2026. The weighted average fair value of share awards granted during the financial year ended 30 September 2022 was £0.11.

Number and weighted average exercise price for the UK ShareSave Scheme (expressed in sterling)

The following table sets out the number and weighted average exercise prices (expressed in sterling) of, and movements in, share options during the financial year under the UK ShareSave Scheme:

	2023		2022	
	Number outstanding	**Weighted average exercise price £**	Number outstanding	Weighted average exercise price £
At beginning of financial year	**13,506,159**	**1.04**	14,253,181	1.16
Granted	**12,209,146**	**0.63**	6,231,802	0.91
Exercised	**–**	**–**	(11,853)	1.14
Expired	**(653,706)**	**1.56**	(1,261,628)	1.42
Forfeited	**(7,773,072)**	**0.99**	(5,705,343)	1.12
At end of financial year	**17,288,527**	**0.75**	13,506,159	1.04
Exercisable at end of financial year	**1,713,484**	**1.14**	542,545	1.66

Range of exercise prices for the UK ShareSave Scheme (expressed in sterling)

	Number outstanding	**Weighted average contract life years**	**Weighted average exercise price £**	**Number exercisable**	**Weighted average exercise price £**
At 29 September 2023					
£0.01–£1.00	**14,053,982**	**3.13**	**0.67**	**–**	**–**
£1.01–£2.00	**3,234,545**	**0.74**	**1.10**	**1,713,484**	**1.14**
	17,288,527	**2.68**	**0.75**	**1,713,484**	**1.14**
At 30 September 2022					
£0.01–£1.00	5,926,561	3.27	0.91	–	–
£1.01–£2.00	7,579,598	1.63	1.14	542,545	1.66
	13,506,159	3.25	1.04	542,545	1.66

Number and weighted average exercise prices for the Irish ShareSave Scheme (expressed in euro)

The following table sets out the number and weighted average exercise prices (expressed in euro) of, and movements in, share options during the financial year under the Irish ShareSave Scheme:

	2023		2022	
	Number outstanding	**Weighted average exercise price €**	Number outstanding	Weighted average exercise price €
At beginning of financial year	**81,376**	**1.26**	147,996	1.30
Exercised	**–**	**–**	(6,722)	1.19
Expired	**(10,285)**	**1.75**	(28,805)	1.57
Forfeited	**(9,075)**	**1.19**	(31,093)	1.19
At end of financial year	**62,016**	**1.19**	81,376	1.26
Exercisable at end of financial year	**62,016**	**1.19**	10,285	1.75

Range of exercise prices for the Irish ShareSave Scheme (expressed in euro)

	Number outstanding	Weighted average contract life years	Weighted average exercise price €	Number exercisable	Weighted average exercise price €
At 29 September 2023					
€1.01–€2.00	**62,016**	**0.26**	**1.19**	**62,016**	**1.19**
	62,016	**0.26**	**1.19**	**62,016**	**1.19**
At 30 September 2022					
€1.01–€2.00	81,376	1.13	1.26	10,285	1.75
	81,376	1.13	1.26	10,285	1.75

Employee Share Incentive Plan

The Group operates an Employee Share Incentive Plan for all UK employees. This was a once off grant of share awards in January 2022 and the number of shares was calculated at market value on the date of allocation, and was to be held by a Trustee for the benefit of individual participants without any additional performance conditions other than three years of service. The shares vest after three years but are forfeit should an employee voluntarily leave the Group within the three-year time period, subject to normal 'good leaver' provisions. The charge recognised in the Group Income Statement was £0.5m (2022: £0.4m).

The share price on the grant date, for awards granted in January 2022 was £1.35.

The following table illustrates the number of, and movements in, share awards during the financial year under the plan:

	2023 Number outstanding	2022 Number outstanding
At beginning of financial year	**1,911,392**	–
Granted	**–**	2,180,216
Exercised	**(46,920)**	(18,768)
Forfeited	**(25,760)**	(250,056)
At end of financial year	**1,838,712**	1,911,392
Exercisable at end of financial year	**–**	–

Restricted Share Plan

In 2023, the Group launched a Restricted Share Plan to assist with the recruitment and retention of employees in the UK and Ireland below the Executive Director level. The number of shares granted is calculated at the market value on the date of allocation, without any additional performance conditions other than continuous service for a period of one year and two years, with 50% of the awards vesting one year after the grant date, and the remainder vesting after two years. There are no holding periods applicable after the vesting date. The charge recognised in the Group Income Statement was £0.5m (2022: £Nil).

In June 2023 2,506,236 shares were awarded when the share price was £0.80, and a further 117,537 shares were awarded in September 2023 when the share price was £0.77.

The following table illustrates the number of, and movements in, share awards during the financial year under the plan:

	2023 Number outstanding
At beginning of financial year	**–**
Granted	**2,623,773**
At end of financial year	**2,623,773**
Exercisable at end of financial year	**–**

Weighted average assumptions used to value the share schemes

Annual Bonus Plan, Employee Share Incentive Plan and Restricted Share Plan

The fair value of awards granted under the Annual Bonus Plan, Employee Share Incentive Plan and Restricted Share Plan is equal to the share price on the grant date.

Notes to the Group Financial Statements continued
financial year ended 29 September 2023

6. Share-based payments continued

Weighted average assumptions used to value the share schemes continued

Performance Share Plan

All vesting conditions relating to the awards will be equally weighted when assessing the fair value at grant date. The TSR component has been valued using a Monte Carlo simulation model which also incorporates the relative volatility of the identified peer group with whom the Group are compared to assess the TSR vesting condition. The following table shows the weighted average assumptions used to fair value the equity settled awards granted.

	FY23 PSP TSR	FY22 PSP TSR
Dividend yield (%)	**4.43%**	2.39%
Expected volatility (%)	**41.26%**	40.63%
Risk-free interest rate (%)	**3.16%**	0.52%
Expected life of option (years)	**3**	3
Share price at grant (£)	**£0.63**	£1.33
Fair value (£)	**£0.27**	£0.59

ShareSave Schemes

The ShareSave Schemes equity settled options are also valued at the fair value on grant date and are calculated by applying a trinomial model. The following table shows the weighted average assumptions used to fair value the equity settled options granted.

	2023 UK ShareSave	2022 UK ShareSave
Dividend yield (%)	**5.96%**	4.31%
Expected volatility (%)	**42.24%**	39.70%
Risk-free interest rate (%)	**5.23%**	1.75%
Employee failure-to-save rate (p.a.) (%)	**20.63%**	20.63%
Expected life of option (years)	**3**	3
Share price at grant (£)	**£0.84**	£0.96
Exercise price (£)	**£0.63**	£0.91
Fair value (£)	**£0.14**	£0.11

The expected volatility is estimated based on the historic volatility of the Company's share price over a period equivalent to the life of the relevant option. The risk-free rate of return is the yield on a government bond of a term consistent with the life of the option.

The range of the Company's share price during the financial year was £0.61–£0.92 (2022: £0.71–£1.47). The average share price during the 2023 financial year was £0.77 (2022: £1.17).

7. Exceptional items

Exceptional items are those which, as set out in our accounting policy, are disclosed separately by virtue of their nature or amount. Such items are included within the Group Income Statement caption to which they relate.

The Group reports the following exceptional items:

		2023 £m	2022 £m
Reorganisation costs	(A)	**(8.9)**	(16.1)
Defined benefit pension schemes restructuring	(B)	**(0.4)**	(0.4)
Profit on disposal of trading business	(C)	**0.1**	–
Release of legacy business liability	(D)	**1.7**	–
Reversal of impairment	(E)	**0.6**	–
Non-core property-related income	(F)	**0.2**	–
Total exceptional items before taxation		**(6.7)**	(16.5)
Tax credit on exceptional items		**1.2**	3.0
Total exceptional items		**(5.5)**	(13.5)

(A) Reorganisation costs

The Group continued with its change programme 'Better Greencore', which commenced in the prior financial year. This is to support revitalisation of its excellence cost efficiency programmes and unlock further cost efficiencies by reducing organisational complexity. The Group recognised a charge of £8.9m in the current financial year (2022: £16.1m) of which £6.2m related to people costs and £2.7m related to professional fees.

(B) Defined benefit pension schemes restructuring
In the current financial year, the Group incurred a charge of £0.4m (2022: £0.4m) in relation to restructuring costs associated with its legacy defined benefit schemes in Ireland. In FY23, the Trustees of the scheme completed the buy-in of an annuity insurance policy. See Note 24 for further details.

(C) Profit on disposal of trading business
On 29 September 2023, the Group completed the disposal of its interest in its Irish trading business, Trilby Trading Limited, recognising a profit on disposal of £0.1m (2022: £Nil). For more detail on the disposal, see Note 28.

(D) Release of legacy business liability
In the current financial year, the Group released £1.7m of a liability relating to legacy business disposals which the Group is satisfied are not probable to be paid.

(E) Reversal of impairment
As volumes have continued to build back since the impact of COVID-19, the Group reopened a facility and brought its related assets back into use in the financial year which had been impaired in a prior period. The Group reviewed the assets in line with the requirements of IAS 36 *Impairment of Assets* and determined it appropriate to recognise a reversal of impairment of £0.6m relating to these assets.

(F) Non-core property-related income
At 29 September 2023, the Group reviewed the fair value of the Irish investment properties portfolio in line with the requirements of IAS 36, with consideration given to bids received from third parties during the financial year for the purchase of parts of the land and have determined it appropriate to recognise a reversal of an impairment of £1.6m. The Group also recognised a provision of £1.2m (2022: £Nil) of remediation costs in relation to investment properties.

Cash Flow on exceptional items
The total net cash outflow during the financial year in respect of exceptional charges was £10.9m (2022: £13.6m), of which £2.7m was in respect of prior financial year exceptional charges. The net proceeds from the disposal of Trilby Trading Limited of £6.1m has been recognised separately on the Group Statement of Cash Flows within investing activities.

8. Finance costs and finance income

	2023 £m	2022 £m
Finance income		
Interest on bank deposits	**0.7**	0.2
Total finance income	**0.7**	0.2
Finance costs		
Finance costs on interest bearing cash and cash equivalents, borrowings and other financing costs	**(17.6)**	(11.3)
Interest on lease obligations (Note 14)	**(1.2)**	(1.2)
Net pension financing charge (Note 24)	**(1.2)**	(1.1)
Unwind of discount on liabilities	**(0.1)**	(0.1)
Change in fair value of derivatives and related debt adjustment	**(1.2)**	1.9
Foreign exchange on inter-company and external balances where hedge accounting is not applied	**(0.2)**	(0.7)
Total finance costs	**(21.5)**	(12.5)
Recognised directly in equity		
Currency translation adjustment	**(0.5)**	1.8
Effective portion of changes in fair value of cash flow hedges	**(3.1)**	8.5
	(3.6)	10.3

There were no interest costs capitalised in the financial year (2022: £0.4m).

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financial year ended 29 September 2023

9. Taxation

	2023 £m	2022 £m
Current tax		
Overseas tax charge	**7.6**	6.6
Adjustment in respect of prior years	**(1.4)**	(3.8)
Total current tax charge (pre-exceptional)	**6.2**	2.8
Deferred tax		
Origination and reversal of temporary differences	**6.0**	2.9
Legacy defined benefit pension obligations	**2.7**	2.6
Effect of tax rate change	**0.8**	1.5
Employee share-based payments	**(0.8)**	(0.1)
Adjustment in respect of prior years	**(4.4)**	0.8
Total deferred tax charge (pre-exceptional)	**4.3**	7.7
Income tax expense (pre-exceptional)	**10.5**	10.5
Tax on exceptional items		
Current tax credit	**(1.2)**	(2.9)
Deferred tax credit	**–**	(0.1)
Tax credit on exceptional items	**(1.2)**	(3.0)
Total tax charge for the financial year	**9.3**	7.5
Tax relating to items taken directly to equity		
Deferred tax relating to items taken directly to equity		
Actuarial (loss)/gain on Group legacy defined benefit pension schemes	**0.6**	4.1
Employee share-based payments	**(0.3)**	0.1
Total deferred tax in equity for the financial year	**0.3**	4.2

Reconciliation of total tax charge

The tax charge for the financial year can be reconciled to the profit per the Group Income Statement as follows:

	2023 £m	2022 £m
Profit for the financial year	**35.9**	32.3
Adjusted for:		
Tax charge for the financial year	**9.3**	7.5
Profit before taxation	**45.2**	39.8
Tax charge at Irish corporation tax rate of 12.5% (2022: 12.5%)	**5.7**	5.0
Effects of:		
Expenses not deductible for tax purposes	**2.2**	0.7
Differences in effective tax rates on overseas earnings	**4.6**	2.9
Effect of trading losses not recognised	**1.8**	0.4
Effect of rate change in the UK	**0.8**	1.5
Adjustment in respect of prior years	**(5.8)**	(3.0)
Total tax charge for the financial year	**9.3**	7.5

Deferred taxation

The Group's deferred tax assets and liabilities are analysed as follows:

	Property, plant and equipment £m	Acquisition -related intangibles £m	Retirement benefit obligations £m	Tax losses £m	Employee share-based payment £m	Other £m	Total £m
Year ended 29 September 2023							
At 30 September 2022	**(11.3)**	**(2.7)**	**9.9**	**18.9**	**0.5**	**2.9**	**18.2**
Income Statement credit/(charge)	**3.0**	**1.0**	**(2.0)**	**(6.5)**	**0.4**	**(0.2)**	**(4.3)**
Tax recorded in equity	**–**	**–**	**(0.6)**	**–**	**0.3**	**–**	**(0.3)**
At 29 September 2023	**(8.3)**	**(1.7)**	**7.3**	**12.4**	**1.2**	**2.7**	**13.6**
Deferred tax assets (deductible temporary differences)	**2.8**	**–**	**9.6**	**12.4**	**1.2**	**2.8**	**28.8**
Deferred tax liabilities (taxable temporary differences)	**(11.1)**	**(1.7)**	**(2.3)**	**–**	**–**	**(0.1)**	**(15.2)**
Net deferred tax asset/(liability)	**(8.3)**	**(1.7)**	**7.3**	**12.4**	**1.2**	**2.7**	**13.6**

	Property, plant and equipment £m	Acquisition -related intangibles £m	Retirement benefit obligations £m	Tax losses £m	Employee share-based payment £m	Other £m	Total £m
Year ended 30 September 2022							
At 24 September 2021	(9.5)	(3.6)	16.7	23.2	0.5	2.6	29.9
Income Statement (charge)/credit	(1.8)	0.9	(2.6)	(4.5)	0.1	0.2	(7.7)
Tax recorded in equity	–	–	(4.1)	–	(0.1)	–	(4.2)
Exceptional items (Note 7)	–	–	–	0.1	–	–	0.1
Currency translation adjustment and other	–	–	(0.1)	0.1	–	0.1	0.1
At 30 September 2022	(11.3)	(2.7)	9.9	18.9	0.5	2.9	18.2
Deferred tax assets (deductible temporary differences)	–	–	14.8	18.9	0.5	2.9	37.1
Deferred tax liabilities (taxable temporary differences)	(11.3)	(2.7)	(4.9)	–	–	–	(18.9)
Net deferred tax asset/(liability)	(11.3)	(2.7)	9.9	18.9	0.5	2.9	18.2

The Group has not provided deferred tax in relation to temporary differences of approximately £300m (2022: £300m) applicable to investments in subsidiaries on the basis that the Group can control the timing and realisation of these temporary differences, and it is probable that the temporary differences will not reverse in the foreseeable future. No provision has been provided in respect of deferred tax relating to unremitted earnings of subsidiaries as there is no commitment to remit earnings.

No deferred tax asset is recognised in respect of certain tax losses and other attributes incurred by the Group on the grounds that there is insufficient evidence that the assets will be recoverable. In the event that sufficient profits are generated in the relevant jurisdictions in the future, these assets may be recovered. The unrecognised deferred tax asset at 29 September 2023 was £54.7m (2022: £42.2m) which has been calculated based on the tax rate applicable to the jurisdiction to which the losses relate and has been translated to the Group presentation currency at the closing rate on 29 September 2023.

The total gross unrecognised trading tax losses are £153.8m (2022: £197.3m). There is not an expiry date for these losses in any jurisdiction. The unrecognised deferred tax asset on these losses amounts to £32.6m (2022: £17.8m).

The total gross unrecognised capital tax losses are £54.7m (2022: £54.7m). These capital losses will not expire in any jurisdiction. The unrecognised deferred tax asset on these losses amounts to £14.3m (2022: £14.3m).

Recognition of deferred tax assets is a key judgement in the Group Financial Statements as disclosed in Note 1.

Factors that may impact future tax charges and other disclosures

The Group is within the scope of the OECD Pillar Two model rules. Pillar Two legislation is expected to be enacted in Ireland in December 2023 and will come into effect from 1 January 2024. Since the Pillar Two legislation is not effective at the reporting date of 29 September 2023, the Group has no related current tax exposure. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

Under the new legislation, groups will be liable to assess their effective tax rate (according to complex new rules) in each jurisdiction that they operate. If the effective tax rate in any jurisdiction is less than the 15% minimum rate top up taxes will be payable. The Group are not expecting to pay top up taxes in the period ending in September 2024. The Group will continue to assess its position to estimate any impact.

Notes to the Group Financial Statements continued
financial year ended 29 September 2023

10. Earnings per Ordinary Share
Basic earnings per Ordinary Share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Ordinary Shares in issue during the financial year, excluding Ordinary Shares purchased by the Company and held in trust in respect of the Annual Bonus Plan, the Performance Share Plan, the Employee Share Incentive Plan and the Restricted Share Plan.

Diluted earnings per Ordinary Share is calculated by adjusting the weighted average number of Ordinary Shares outstanding to assume conversion of all dilutive potential Ordinary Shares.

Adjusted Basic Earnings per Share is calculated as Adjusted Earnings divided by the weighted average number of Ordinary Shares in issue during the financial year. The numerator for Adjusted Basic Earnings per Share is calculated as profit attributable to equity holders of the Company adjusted to exclude exceptional items (net of tax), the effect of foreign exchange ('FX') on inter-company and certain external balances where hedge accounting is not applied, the movement in the fair value of all derivative financial instruments and related debt adjustments, the amortisation of acquisition-related intangible assets (net of tax) and the effect of interest expense relating to legacy defined benefit pension liabilities (net of tax).

In the current financial year, the Group repurchased 33,382,718 Ordinary Shares (2022: 9,728,677) in the Company, by way of a share buyback, costing £26.2m (2022: £8.8m). These shares were immediately cancelled. The effect of this on the weighted average number of Ordinary Shares was a decrease of 16,134,894 shares (2022: 774,827).

The total Ordinary Shares in issue at 29 September 2023 was 483,453,842 (2022: 516,836,560).

Numerator for earnings per share and Adjusted Earnings per Share calculations

	2023 £m	2022 £m
Profit attributable to equity holders of the Company (numerator for earnings per share calculations)	**35.9**	32.3
Exceptional items (net of tax)	**5.5**	13.5
Movement on fair value of derivative financial instruments and related debt adjustments	**1.2**	(1.9)
FX effect on inter-company and external balances where hedge accounting is not applied	**0.2**	0.7
Amortisation of acquisition-related intangible assets (net of tax)	**2.7**	2.7
Pension financing (net of tax)	**0.7**	0.8
Numerator for Adjusted Earnings per Share calculations	**46.2**	48.1

Denominator for basic earnings per share and Adjusted Earnings per Share calculations

	2023 '000	2022 '000
Shares in issue at the beginning of the financial year	**516,837**	526,547
Effect of share buyback and cancellation in the financial year	**(16,135)**	(775)
Effect of shares held by Employee Benefit Trust	**(5,330)**	(2,403)
Effect of shares issued during the financial year	**–**	13
Weighted average number of Ordinary Shares in issue during the financial year	**495,372**	523,382

Denominator for diluted earnings per share calculations
Employee Performance Share Plan awards, which are performance based, are treated as contingently issuable shares, because their issue is contingent upon satisfaction of specified performance conditions in addition to the passage of time. These contingently issuable Ordinary Shares are excluded from the computation of diluted earnings per Ordinary Share where the conditions governing exercisability have not been satisfied as at the end of the reporting period.

A total of 20,252,989 (2022: 17,031,830) unvested shares were excluded from the diluted earnings per share calculation as they were either antidilutive or contingently issuable Ordinary Shares which had not satisfied the performance conditions attaching at the end of the 2023 financial year.

A reconciliation of the weighted average number of Ordinary Shares used for the purpose of calculating the diluted earnings per share amounts is as follows:

	2023 '000	2022 '000
Weighted average number of Ordinary Shares in issue during the financial year	**495,372**	523,382
Dilutive effect of share options	**1,165**	2,123
Weighted average number of Ordinary Shares for diluted earnings per share	**496,537**	525,505

Earnings per share calculations

	2023 Total pence	2022 Total pence
Basic earnings per Ordinary Share	**7.2**	6.2
Adjusted Earnings per Ordinary Share	**9.3**	9.2
Diluted earnings per Ordinary Share	**7.2**	6.1

11. Dividends paid and proposed

There were no dividends paid in the current or prior year and there are no dividends proposed to be paid.

In the current financial year, the next phase of the value return to shareholders completed with a further £26.2m value (2022: £8.8m) returned up to 29 September 2023 in the form of a share buyback. The Group launched the fourth share buyback programme which commenced on 10 October 2023 and will end no later than 30 March 2024 and will conclude the £50m commitment.

12. Goodwill and intangible assets

	Goodwill £m	**Acquisition -related intangible assets – Customer related £m**	**Computer software and other intangibles £m**	**Total £m**
Year ended 29 September 2023				
At 30 September 2022	**449.4**	**11.1**	**7.6**	**468.1**
Additions	**–**	**–**	**1.4**	**1.4**
Amortisation charge	**–**	**(3.6)**	**(2.7)**	**(6.3)**
Disposal of undertakings (Note 28)	**(2.0)**	**–**	**–**	**(2.0)**
Currency translation adjustment	**(0.1)**	**–**	**–**	**(0.1)**
At 29 September 2023	**447.3**	**7.5**	**6.3**	**461.1**
Year ended 29 September 2023				
Cost	**457.9**	**52.3**	**18.5**	**528.7**
Accumulated impairment/amortisation	**(10.6)**	**(44.8)**	**(12.2)**	**(67.6)**
At 29 September 2023	**447.3**	**7.5**	**6.3**	**461.1**

	Goodwill £m	Acquisition -related intangible assets – Customer related £m	Computer software and other intangibles £m	Total £m
Year ended 30 September 2022				
At 24 September 2021	449.4	14.7	9.2	473.3
Additions	–	–	1.5	1.5
Amortisation charge	–	(3.6)	(3.1)	(6.7)
Currency translation adjustment	–	–	–	–
At 30 September 2022	449.4	11.1	7.6	468.1
Year ended 30 September 2022				
Cost	460.0	52.3	20.6	532.9
Accumulated impairment/amortisation	(10.6)	(41.2)	(13.0)	(64.8)
At 30 September 2022	449.4	11.1	7.6	468.1

During the financial year, £2.0m of goodwill was disposed of as part of the disposal of the Irish ingredients trading business, Trilby Trading Limited. See Note 28 for further details.

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financial year ended 29 September 2023

12. Goodwill and intangible assets continued
Goodwill and impairment testing
Goodwill acquired in business combinations is allocated, at acquisition, to the cash generating units ('CGUs') that are expected to benefit from that business combination. The Group had allocated goodwill to its two CGUs, Convenience Foods UK and Irish Ingredients and Property trading businesses.

The CGUs represent the lowest level within the Group at which the associated goodwill is assessed for internal management purposes and are not larger than the operating segment determined in accordance with IFRS 8 *Operating Segments*. A summary of the allocation of the carrying value of goodwill by CGU is as follows:

	2023 £m	2022 £m
Convenience Foods UK	**447.3**	447.4
Irish Ingredients and Property	**–**	2.0
	447.3	449.4

As the goodwill relating to the Irish Ingredients and Property CGU was disposed of during the financial year, an impairment assessment of this CGU was not required at 29 September 2023.

Key assumptions
The recoverable amount of goodwill allocated to the Convenience Foods UK CGU is based on a value in use calculation with the key assumptions set out in the table below.

The market capitalisation of the Group at 29 September 2023 was below the Group's net asset value at that date, which is an indicator of impairment. This has been considered in the impairment testing performed. Assumptions underpinning the value in use calculation include management's estimates of cash flow projections, long-term growth rates and discount rates.

Key assumptions	Basis for determining values assigned to key assumptions
Cash flow projections	The cash flow projections are based on the FY24 budget, which has been approved by the Board, and a two-year strategic plan, which specifically excludes incremental profits and other cash flows stemming from any potential future acquisitions or future operational restructuring. In preparing the FY24 budget and the FY25 and FY26 strategic plan, the Group has based these on industry experience with changes in selling prices and direct costs based on past practices and expectations of future changes in the market. Future cash flows also take account of cost inflation and price recovery and growth in future volumes. The cash flows include an assumption on maintenance capital expenditure required by the business over the future projected period. The impact of climate change risks as part of our near-term strategy including investments in effluent treatment, capital expenditure to assist in our carbon emission reduction targets, and impairment considerations on transition of the Group's distribution fleet to electric vehicles and alternative fuels have been considered as part of the goodwill impairment testing process through cash flow projections.
Long-term growth rate	A long-term growth rate of 2% (FY22: 2%) has been used in extrapolating the cashflows beyond the budget and strategic plan period to perpetuity. This growth rate does not exceed the long-term average growth rate for industries in which the CGU operates.
Discount rate	The pre-tax discount rate has increased in the current financial year for the Convenience Foods UK CGU, from 11% at 30 September 2022 to 13% at 29 September 2023. The pre-tax discount rates are based on the Group's weighted average cost of capital, calculated using the Capital Asset Pricing Model adjusted for the Group's specific beta coefficient together with a country risk premium to take account where the CGU derives its cash flows.

Applying these techniques, no impairment charge arose in 2023 (2022: £Nil).

Sensitivity analysis
The key assumptions underlying the impairment reviews are set out above. Sensitivity analysis has been conducted in respect of the CGU using the following sensitivity assumptions: 1% increase in the discount rate; 10% decrease in cash flow projections; and nil terminal value growth. There was no CGU impairments as a result of the applied sensitivity analysis in 2023.

13. Property, plant and equipment

	Land and buildings £m	Plant and machinery £m	Fixtures and fittings £m	Capital work in progress £m	Total £m
Year ended 29 September 2023					
At 30 September 2022	**158.5**	**134.5**	**12.7**	**13.7**	**319.4**
Additions	**0.2**	**1.0**	**1.4**	**33.8**	**36.4**
Depreciation charge	**(11.6)**	**(21.8)**	**(4.1)**	**–**	**(37.5)**
Impairments	**(0.6)**	**(1.9)**	**(0.2)**	**(0.3)**	**(3.0)**
Reversal of impairment	**0.4**	**0.2**	**–**	**–**	**0.6**
Reclassifications	**9.7**	**16.0**	**2.6**	**(28.3)**	**–**
Disposal of undertakings (Note 28)	**(0.4)**	**–**	**–**	**–**	**(0.4)**
At 29 September 2023	**156.2**	**128.0**	**12.4**	**18.9**	**315.5**
Year ended 29 September 2023					
Cost	**266.4**	**332.2**	**50.7**	**18.9**	**668.2**
Accumulated depreciation	**(110.2)**	**(204.2)**	**(38.3)**	**–**	**(352.7)**
At 29 September 2023	**156.2**	**128.0**	**12.4**	**18.9**	**315.5**
Year ended 30 September 2022					
At 24 September 2021	154.6	119.1	16.3	17.4	307.4
Additions	0.2	1.7	0.8	46.2	48.9
Depreciation charge	(10.9)	(19.8)	(5.3)	–	(36.0)
Impairments	(0.2)	(0.6)	(0.1)	–	(0.9)
Reclassifications	14.8	34.1	1.0	(49.9)	–
At 30 September 2022	158.5	134.5	12.7	13.7	319.4
Year ended 30 September 2022					
Cost	256.5	315.2	46.7	13.7	632.1
Accumulated depreciation	(98.0)	(180.7)	(34.0)	–	(312.7)
At 30 September 2022	158.5	134.5	12.7	13.7	319.4

Capital work in progress relates to buildings and plant and machinery under construction which the Group expect will be brought into use within 12–24 months.

The Group keeps all assets under review on an ongoing basis to identify any impairments to be recognised as a result of obsolescence due to either a change in production methods rendering certain assets idle or impairment due to replacement of assets to align with the Group's net zero targets. The Group recognised an impairment charge of £3.0m (2022: £0.9m) following these reviews being carried out. This was charged to operating costs in the Group Income Statement in both the current and the prior year. No assets were impaired in the current financial year due to climate-related strategy.

During the current financial year, the Group recognised the reversal of impairment of £0.6m (2022: £Nil) in certain assets which have been brought back into use in the financial year. This has been reviewed in line with the requirements of IAS 36 *Impairment of Assets*.

At 29 September 2023, the Group disposed of its investment in Trilby Trading Limited and as such £0.4m of land and buildings was disposed of. For further details, see Note 28.

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14. Leases
The movement in the Group's right-of-use assets during the financial year is as follows:

	Land and buildings £m	Plant and machinery £m	Motor vehicles £m	Total £m
Year ended 29 September 2023				
At 30 September 2022	**29.3**	**7.6**	**7.5**	**44.4**
Additions	**7.3**	**1.9**	**4.1**	**13.3**
Disposals	**–**	**(0.1)**	**(0.3)**	**(0.4)**
Depreciation charge for the financial year	**(6.8)**	**(3.2)**	**(6.3)**	**(16.3)**
Right-of-use assets at 29 September 2023	**29.8**	**6.2**	**5.0**	**41.0**

	Land and buildings £m	Plant and machinery £m	Motor vehicles £m	Total £m
Year ended 30 September 2022				
At 24 September 2021	34.5	8.6	11.0	54.1
Additions	0.4	2.6	3.8	6.8
Disposals	–	(0.3)	(0.6)	(0.9)
Depreciation charge for the financial year	(5.6)	(3.3)	(6.7)	(15.6)
Right-of-use assets at 30 September 2022	29.3	7.6	7.5	44.4

The movement in the Group's lease liabilities during the financial year is as follows:

	2023 £m	2022 £m
At beginning of financial year	**48.0**	59.6
Additions	**13.0**	6.6
Disposals	**(0.4)**	(0.9)
Payments for lease liabilities	**(15.6)**	(17.3)
Payments for lease interest	**(1.2)**	(1.2)
Lease interest charge	**1.2**	1.2
At end of financial year	**45.0**	48.0

An analysis of the maturity profile of the discounted lease liabilities arising from the Group's leasing activities is as follows:

	2023 £m	2022 £m
Within one year	**14.3**	14.4
Between one and five years	**25.9**	26.3
Over 5 years	**4.8**	7.3
Total	**45.0**	48.0
Analysed as:		
Current liabilities	**14.3**	14.4
Non-current liabilities	**30.7**	33.6
Total	**45.0**	48.0

The Group avails of the exemption from capitalising lease costs for short-term leases and low-value assets where the relevant criteria are met. The following lease costs have been charged to the Group Income Statement on a straight-line basis:

	2023 £m	2022 £m
Short-term leases	**6.3**	5.4
Leases of low-value assets	**0.1**	0.2
Total	**6.4**	5.6

The total cash outflow for lease payments during the financial year was as follows:

	2023 £m	2022 £m
Cash outflow for short-term leases and leases of low value	**6.4**	5.6
Lease payments relating to capitalised right-of-use leased assets	**15.6**	17.3
Interest payments relating to lease obligations	**1.2**	1.2
Total	**23.2**	24.1

15. Investment property

	2023 £m	2022 £m
At beginning of the financial year	**3.1**	3.0
Reversal of impairment	**1.6**	–
Currency translation adjustment	**(0.1)**	0.1
At end of financial year*	**4.6**	3.1
Analysed as:		
Cost	**4.6**	3.1
Accumulated depreciation	**–**	–
At end of financial year	**4.6**	3.1

* The majority of the Group's investment property is land and is not depreciated.

The carrying value of the Group's investment properties at 29 September 2023 was £4.6m (2022: £3.1m). The valuations were carried out by the Group using external independent valuers and property brokers and was arrived at by reference to location, market conditions and status of planning applications. In addition, the Group have been in negotiation with third-party market participants to purchase some of the land in the Irish investment property portfolio. As the market price was higher than the carrying value, the Group have reviewed the carrying value in line with the requirements of IAS 36 *Impairment of Assets* and have considered it appropriate to reverse part of an impairment recognised in a prior period of £1.6m (2022: £Nil). The fair values of investment properties require Level 3 inputs to determine a fair value measurement.

An increase or decrease in the price per hectare of 5% would result in a 5% or £0.2m increase or decrease in the fair value of the land.

16. Inventories

	2023 £m	2022 £m
Raw materials and consumables	**39.8**	38.2
Work in progress	**0.3**	0.4
Finished goods and goods for resale	**32.8**	24.7
	72.9	63.3

None of the above carrying amounts have been pledged as security for liabilities entered into by the Group.

Inventory recognised within cost of sales	**1,032.3**	847.4

The amount recognised as an expense for a reduction in the carrying value of inventory from cost to net realisable value was £6.9m (2022: £4.5m).

17. Trade and other receivables

	2023 £m	2022 £m
Current		
Trade receivables	**170.6**	179.5
Other receivables	**40.3**	42.5
Prepayments	**12.9**	14.5
VAT	**10.3**	12.1
Contract costs	**0.1**	0.1
Total	**234.2**	248.7

The fair value of current receivables approximates book value due to their short-term nature.

Approximately £36.0m (2022: £36.0m) of the Group's trade and other receivables are secured against pension liabilities. See Note 24 for further details.

The Group's exposure to credit and currency risk and impairment losses related to trade and other receivables is set out in Note 22.

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financial year ended 29 September 2023

18. Trade and other payables

	2023 £m	2022 £m
Current		
Trade payables	**316.3**	295.8
Employment related taxes	**9.7**	11.7
Other payables and accrued expenses	**120.0**	137.6
Current trade and other payables	**446.0**	445.1
Non-current		
Other payables	**2.4**	2.7
Total trade and other payables	**448.4**	447.8

The fair value of trade and other payables approximates book value due to their short-term nature.

The Group's exposure to liquidity and currency risk is disclosed in Note 22.

19. Cash and cash equivalents and bank overdrafts

	2023 £m	2022 £m
Cash at bank and in hand	**116.5**	99.6

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods, between one day and one month, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The fair value of cash and cash equivalents equals the carrying amount.

For the purposes of the Group Statement of Cash Flows, cash and cash equivalents and bank overdrafts are presented net as follows:

	2023 £m	2022 £m
Cash at bank and in hand	**116.5**	99.6
Bank overdraft (Note 20)	**(83.7)**	(52.9)
Total cash and cash equivalents and bank overdrafts	**32.8**	46.7

20. Borrowings

	2023 £m	2022 £m
Current		
Bank overdrafts	**83.7**	52.9
Bank borrowings	**45.0**	–
Private Placement Notes	**16.0**	16.9
Total current borrowings	**144.7**	69.8
Non-current		
Bank borrowings	**94.0**	158.8
Private Placement Notes	**31.8**	51.0
Total non-current borrowings	**125.8**	209.8
Total borrowings	**270.5**	279.6

The maturity of borrowings is as follows:

	2023 £m	2022 £m
Less than 1 year	**144.7**	69.8
Between 1 and 2 years	**16.0**	111.9
Between 2 and 5 years	**109.8**	97.9
	270.5	279.6

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the year end date are as follows:

	2023 £m	2022 £m
6 months or less	**139.0**	158.8
1–5 years	**47.8**	67.9
	186.8	226.7

The average spread that the Group paid on its financing facilities in the financial year ended 29 September 2023 was 1.80% (2022: 2.16%).

Bank overdrafts are part of the Group cash pooling arrangement and therefore are not exposed to interest rate changes.

Bank borrowings

The Group's bank borrowings are denominated in sterling. At 29 September 2023 interest is set at commercial rates based on a spread above SONIA.

The Group's bank borrowings, net of finance fees amounted to £139.0m at 29 September 2023 (September 2022: £158.8m) with maturities ranging from June 2024 to January 2026. The Group had £295.0m (September 2022: £350.0m) of undrawn committed bank facilities in respect of which all conditions precedent had been met. Uncommitted facilities undrawn at 29 September 2023 amounted to £5.0m (September 2022: £9.5m).

Private Placement Notes

The Group's outstanding Private Placement Notes net of finance fees amounted to £47.8m (denominated as $41.9m and £13.5m) at 29 September 2023 (2022: £67.9m, denominated as $55.9m and £18m). These were issued as fixed rate debt in June 2016 ($55.9m and £18m) with maturities ranging between June 2024 and June 2026. The Group repaid $14.0m and £4.5m Private Placement Notes in June 2023 (2022: $65m repaid in October 2021).

In December 2018, the Group entered into cross-currency swap arrangements for the $55.9m Private Placement Notes to swap from fixed rate US dollar to fixed rate sterling. The fixed rate US dollar to fixed rate sterling swaps are designated as cash flow hedges.

Revisions to financing agreements

Subsequent to the year end, the Group has refinanced its debt facilities with a new five-year £350m sustainability-linked revolving credit facility ('RCF'), maturing in November 2028 with the option to extend for up to a further two years. This new facility replaces the existing £340m RCF that was due to mature in January 2026. A £45m term loan due to mature in June 2024 was also repaid in full as part of this debt restructuring.

Guarantees

The Group's financing facilities are secured by guarantees from Greencore Group plc and cross-guarantees from various companies within the Group. The Group treats these guarantee contracts as contingent liabilities until such time as it becomes probable that a payment will be required under such guarantees.

Interest rate profile

The interest rate profile of cash and cash equivalents and borrowings at 29 September 2023 was as follows:

	US dollar £m	**Euro £m**	**Sterling £m**	**Total £m**
Floating rate net debt	**0.1**	**5.2**	**(21.5)**	**(16.2)**
Fixed rate net debt	**(34.3)**	**–**	**(103.5)**	**(137.8)**
Total	**(34.2)**	**5.2**	**(125.0)**	**(154.0)**

The interest rate profile of cash and cash equivalents and borrowings at 30 September 2022 was as follows:

	Australian dollar £m	US dollar £m	Euro £m	Sterling £m	Total £m
Floating rate net debt	0.1	(1.4)	5.8	(26.5)	(22.0)
Fixed rate net debt	–	(50.0)	–	(108.0)	(158.0)
Total	0.1	(51.4)	5.8	(134.5)	(180.0)

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21. Derivative financial instruments
Derivative financial instruments recognised as assets and liabilities in the Statement of Financial Position are analysed as follows:

	2023		
	Assets £m	Liabilities £m	Net £m
Current			
Cross-currency swaps – cash flow hedges	**0.4**	**–**	**0.4**
Interest rate swaps – cash flow hedges	**0.5**	**–**	**0.5**
Forward foreign exchange contracts – not designated as hedges	**–**	**(0.0)**	**(0.0)**
	0.9	**(0.0)**	**0.9**
Non-current			
Cross-currency swaps – cash flow hedges	**1.2**	**–**	**1.2**
Interest rate swaps – cash flow hedges	**2.5**	**–**	**2.5**
	3.7	**–**	**3.7**
Total	**4.6**	**(0.0)**	**4.6**

	2022		
	Assets £m	Liabilities £m	Net £m
Current			
Cross-currency swaps – cash flow hedges	1.5	–	1.5
Forward foreign exchange contracts – not designated as hedges	1.0	(0.1)	0.9
	2.5	(0.1)	2.4
Non-current			
Cross-currency swaps – cash flow hedges	5.9	–	5.9
Interest rate swaps – cash flow hedges	6.4	–	6.4
Forward foreign exchange contracts – not designated as hedges	0.1	–	0.1
	12.4	–	12.4
Total	14.9	(0.1)	14.8

Derivative instruments which are held for trading and are not designated as effective hedging instruments are classified as a current asset or liability (as appropriate) regardless of maturity if the Group expects that they may be settled within 12 months of the year end date. Derivative instruments that are designated as effective hedging instruments are classified as a current or non-current asset or liability by reference to the maturity of the hedged item.

Cross-currency swaps
The Group utilises cross-currency swaps to convert fixed rate US dollar Private Placement Notes into fixed rate sterling liabilities.

Interest rate swaps
The Group utilises interest rate swaps to convert floating rate sterling into fixed rate sterling debt liabilities.

The principal amount of the Group's borrowings which are swapped at 29 September 2023 total £90.0m (2022: £90.0m). At 29 September 2023, the fixed interest rates varied from 0.504% to 0.660% (2022: 0.504% to 0.660%) which mature in October 2023 and October 2024.

Forward foreign exchange contracts
The notional principal amounts of outstanding forward foreign exchange contracts at 29 September 2023 total £9.6m (2022: £47.4m). No outstanding forward foreign exchange contracts are designated as cash flow hedges as at 29 September 2023 (2022: £Nil).

22. Financial risk management and financial instruments
Financial risk management objectives and policies
The Group's activities expose it to a variety of financial risks that include interest rate risk, foreign currency risk, liquidity risk, credit risk and price risk. These financial risks are actively managed by the Group's Treasury and Purchasing departments under strict policies and guidelines approved by the Board of Directors. The Group's Treasury department actively monitors market conditions with a view to minimising the exposure of the Group to changing market factors while at the same time minimising the volatility of the funding costs of the Group. The Group uses derivative financial instruments such as foreign currency contracts, cross-currency swaps and interest rate swaps to manage the financial risks associated with the underlying business activities of the Group.

Financial instruments that are carried at fair value, use different valuation methods. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: Inputs for the asset or liability that are not observable market data (unobservable inputs).

The fair value of the financial liabilities held at amortised cost and the financial liabilities in fair value hedges are within Level 2 of the fair value hierarchy and have been calculated by discounting the expected future cash flows at prevailing interest rates and by applying financial year end exchange rates.

	2023					
	Loans and receivables £m	**FV through profit or loss £m**	**Cash flow hedges £m**	**Financial liabilities at amortised cost £m**	**Carrying value £m**	**Fair value £m**
Cash and cash equivalents*	**116.5**	**–**	**–**	**–**	**116.5**	**116.5**
Bank overdrafts*	**–**	**–**	**–**	**(83.7)**	**(83.7)**	**(83.7)**
Derivative financial instruments**	**–**	**(0.0)**	**4.6**	**–**	**4.6**	**4.6**
Bank borrowings**	**–**	**–**	**–**	**(139.0)**	**(139.0)**	**(138.9)**
Private Placement Notes**	**–**	**–**	**–**	**(47.8)**	**(47.8)**	**(45.9)**

* Level 1
** Level 2

	2022					
	Loans and receivables £m	FV through profit or loss £m	Cash flow hedges £m	Financial liabilities at amortised cost £m	Carrying value £m	Fair value £m
Cash and cash equivalents*	99.6	–	–	–	99.6	99.6
Bank overdrafts*	–	–	–	(52.9)	(52.9)	(52.9)
Derivative financial instruments**	–	1.0	13.8	–	14.8	14.8
Bank borrowings**	–	–	–	(158.8)	(158.8)	(151.1)
Private Placement Notes**	–	–	–	(67.9)	(67.9)	(65.3)

* Level 1
** Level 2

The carrying value of trade and other receivables and trade and other payables are considered a reasonable approximation of fair value and therefore have not been included in the tables above.

During the financial year and prior year, there were no transfers between the different levels identified above.

Interest rate risk

The Group's exposure to market risk for changes in interest rates arises from its floating rate borrowings, cash and cash equivalents and derivatives. The Group's policy is to optimise interest cost and reduce volatility in reported earnings. This is managed by reviewing the debt profile of the Group regularly on a currency by currency basis and by selectively using interest rate swaps to manage the level of floating interest rate exposure.

The Group holds private placement in US dollars which have been swapped to sterling using cross-currency swaps.

Sensitivity analysis for floating rate debt

The full year impact of both an upward and downward movement in each applicable interest rate and interest rate curve by 100 basis points (assuming all the other variables remain constant) is shown below.

	On profit after tax		On equity	
	2023 £m	2022 £m	**2023 £m**	2022 £m
Effect of a downward movement of 100 basis points	**0.5**	0.7	**0.0**	(0.6)
Effect of an upward movement of 100 basis points	**(0.5)**	(0.7)	**(0.0)**	0.5

negative = cost, positive = gain

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22. Financial risk management and financial instruments continued

Foreign currency risk

The Group is exposed to currency risk on sales and purchases in certain businesses that are denominated in currencies other than the functional currency of the entity concerned. The Group utilises foreign currency contracts to economically hedge foreign exchange exposures arising from these transactions.

The Group's trading entity exposures to foreign currency risk for amounts not denominated in the functional currency of the relevant entity at the year end date were as follows (excluding derivative financial instruments):

	2023			2022		
Denominated in:	**Euro £m**	**US dollars £m**	**Sterling £m**	Euro £m	US dollars £m	Sterling £m
Trade receivables and other receivables	**0.3**	**–**	**–**	1.8	6.6	2.5
Trade payables and other payables	**(5.2)**	**–**	**–**	(7.0)	(1.0)	(1.8)
Cash and cash equivalents and bank overdrafts	**5.1**	**0.1**	**–**	(4.9)	(1.4)	(0.5)
Gross balance sheet exposure	**0.2**	**0.1**	**–**	(10.1)	4.2	0.2

Sensitivity analysis for primary foreign currency risk

A 10% strengthening of the sterling exchange rate against the euro exchange rates in respect of the translation of amounts not denominated in the functional currency of relevant entities into the functional currency would impact profit after tax and equity by the amount shown below. This assumes that all other variables remain constant. A 10% weakening of the sterling exchange rate against the euro exchange rates would have an equal and opposite effect.

	On profit after tax		On equity	
	2023 £m	2022 £m	**2023 £m**	2022 £m
Impact of 10% strengthening of sterling vs. euro gain/(loss)	**0.8**	(0.2)	**4.5**	5.1

Currency profile

The currency profile of cash and cash equivalents and bank overdrafts, borrowings and derivative financial instruments at 29 September 2023 was as follows:

	US dollar £m	**Euro £m**	**Sterling £m**	**Total £m**
Cash and cash equivalents and bank overdrafts	**0.1**	**5.2**	**27.5**	**32.8**
Current borrowings	**(11.4)**	**–**	**(49.6)**	**(61.0)**
Non-current borrowings	**(22.9)**	**–**	**(102.9)**	**(125.8)**
Other derivative financial instruments	**–**	**–**	**4.6**	**4.6**
Total	**(34.2)**	**5.2**	**(120.4)**	**(149.4)**

The currency profile of cash and cash equivalents and bank overdrafts, borrowings and derivative financial instruments at 30 September 2022 was as follows:

	Australian dollar £m	US dollar £m	Euro £m	Sterling £m	Total £m
Cash and cash equivalents and bank overdrafts	0.1	(1.4)	5.8	42.2	46.7
Current borrowings	–	(12.5)	–	(4.4)	(16.9)
Non-current borrowings	–	(37.5)	–	(172.3)	(209.8)
Other derivative financial instruments	–	–	–	14.8	14.8
Total	0.1	(51.4)	5.8	(119.7)	(165.2)

Liquidity risk

The Group's policy on funding capacity is to ensure that it always has sufficient long-term funding and committed bank facilities in place to meet foreseeable peak borrowing requirements with an appropriate level of additional headroom. A prudent approach to liquidity risk management is taken by the Group by spreading the maturities of its debt using long-term financing. The Group's Treasury department actively monitors the current and future funding requirements of the business on a daily basis. Excess funds are placed on short-term deposit for up to one month whilst ensuring that sufficient cash is available on demand to meet expected operational requirements.

Subsequent to the year end, the Group has refinanced its debt facilities with a new five year £350m sustainability-linked revolving credit facility ('RCF'), maturing in November 2028 with the option to extend for up to a further two years. This new facility replaces the existing £340m RCF that was due to mature in January 2026. A £45m term loan due to mature in June 2024 was also repaid in full as part of this debt restructuring.

The following are the carrying amounts and contractual maturities of liabilities of financial liabilities (including interest payments):

29 September 2023	**Carrying amount £m**	**Contractual amount £m**	**Period 1–6 months £m**	**Period 6–12 months £m**	**Period 1–5 years £m**	**Period >5 years £m**
Non-derivative financial instruments						
Bank overdrafts	**(83.7)**	**(83.7)**	**(83.7)**	**–**	**–**	**–**
Bank borrowings	**(139.0)**	**(158.1)**	**(5.0)**	**(49.3)**	**(103.8)**	**–**
Private Placement Notes	**(47.8)**	**(51.6)**	**(1.1)**	**(16.8)**	**(33.7)**	**–**
Lease liabilities	**(45.0)**	**(45.8)**	**(9.5)**	**(3.9)**	**(28.0)**	**(4.4)**
Trade payables, other payables and accrued expenses	**(438.7)**	**(438.7)**	**(436.3)**	**–**	**(2.4)**	**–**
Derivative financial instruments						
Interest rate swaps – cash flow hedges	**3.0**					
Inflow/(outflow)		**2.5**	**1.3**	**1.1**	**0.1**	**–**
Cross-currency swaps – cash flow hedges	**1.6**					
Inflow		**37.2**	**0.8**	**12.1**	**24.3**	**–**
(Outflow)		**(35.6)**	**(0.6)**	**(11.6)**	**(23.4)**	**–**
Forward foreign exchange contracts	**(0.0)**					
Inflow		**9.6**	**9.6**	**–**	**–**	**–**
(Outflow)		**(9.6)**	**(9.6)**	**–**	**–**	**–**

30 September 2022	Carrying amount £m	Contractual amount £m	Period 1–6 months £m	Period 6–12 months £m	Period 1–5 years £m	Period >5 years £m
Non-derivative financial instruments						
Bank overdrafts	(52.9)	(52.9)	(52.9)	–	–	–
Bank borrowings	(158.8)	(185.3)	(4.9)	(5.6)	(174.8)	–
Private Placement Notes	(67.9)	(70.8)	(0.5)	(17.6)	(52.7)	–
Lease liabilities	(48.0)	(51.1)	(8.2)	(7.2)	(28.2)	(7.5)
Trade payable, other payables and accrued expenses	(436.1)	(436.1)	(433.4)	–	(2.7)	–
Derivative financial instruments						
Interest rate swaps – cash flow hedges	6.4					
Inflow/(outflow)		7.5	1.6	2.0	3.9	–
Cross-currency swaps – cash flow hedges	7.4					
Inflow		55.3	1.2	13.5	40.6	–
(Outflow)		(48.2)	(0.8)	(11.8)	(35.6)	–
Forward foreign exchange contracts	1.0					
Inflow		47.4	27.1	14.9	5.4	–
(Outflow)		(46.8)	(26.9)	(14.6)	(5.3)	–

Credit risk

Credit risk refers to the risk of financial loss to the Group if a counterparty defaults on its contractual obligations on financial assets held in the balance sheet. Risk is monitored both centrally and locally.

The Group derives a significant proportion of its revenue from sales to a limited number of major customers (see details in Note 2). Sales to individual customers can be of significant value and the failure of any such customer to honour its debts could materially impact the Group's results. The Group derives significant benefit from trading with its large customers and manages the risk by regularly reviewing the credit history and rating of all significant customers and reviewing outstanding balances for indicators of impairment. There have been no significant changes to the Group's credit risk parameters or to the composition of the Group's trade receivables during the financial year.

The Group also manages credit risk in the UK through the use of a receivables purchase arrangement. Under the terms of this agreement the Group has transferred substantially all of the credit risk and control of the receivables, which are subject to this agreement, and accordingly, £56.9m (2022: £54.0m) has been derecognised at year end. The impact on the Group's Statement of Cash Flows is recognised in working capital movements within operating activities.

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22. Financial risk management and financial instruments continued
Credit risk continued
In addition, the Group operates trade receivable factoring arrangements with two of its larger customers. These arrangements allow the Group to choose to factor the receivable before the sales are contractually due from the customer. These are non-recourse arrangements and therefore amounts are derecognised from trade receivables. At 29 September 2023 £39.3m (2022: £39.9m) was drawn under these factoring facilities. The Group presents the factoring arrangements as part of the movement in working capital in the Group Statement of Cash Flows.

The aged analysis of trade receivables for the year ended 29 September 2023 and 30 September 2022 is summarised in the table below.

	2023 £m	2022 £m
Receivable within 1 month of the balance sheet date	**167.6**	172.2
Receivable between 1 and 3 months of the balance sheet date	**1.5**	5.5
Receivable greater than 3 months of the balance sheet date	**1.5**	1.8
Total trade receivables	**170.6**	179.5

Trade receivables are in general receivable within 90 days of the invoice date, are unsecured and are not interest bearing. The figures disclosed above are stated net of allowances for impairment.

The Group applies the simplified approach to providing for expected credit losses ('ECLs') permitted by IFRS 9 *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the trade receivables. The Group uses an allowance matrix to measure the ECLs of trade receivables based on its credit loss rates. Expected loss rates are based on historical payment profiles of sales and the corresponding historical credit loss experience. The historical loss rates are adjusted to reflect current and forward economic factors if there is evidence to suggest these factors will affect the ability of the customer to settle receivables. The Group has determined the ECL default rate using market default risk probabilities with regard to its key customers.

The movements in the allowance for impairment of trade receivables are as follows:

	2023 £m	2022 £m
At the beginning of the financial year	**(3.4)**	(2.3)
Provided during the financial year	**(1.1)**	(1.2)
Written off during the financial year	**0.7**	0.1
Recovered during the financial year	**0.1**	–
Disposal of undertakings	**0.3**	–
At end of financial year	**(3.4)**	(3.4)

The Group has calculated ECL on other receivables balances using market default risk probabilities for key customers and has assessed that an allowance for impairment would be immaterial and therefore has not been provided for at 29 September 2023 (2022: £Nil).

Cash and cash equivalents and bank overdrafts
Exposure to credit risk on cash and derivative financial instruments is actively monitored by the Group's Treasury department. Risk of counterparty default arising on cash and cash equivalents and bank overdrafts is controlled by dealing with high-quality institutions and by policy, limiting the amount of credit exposure to any one bank or institution. The Group transacts with a variety of high credit quality financial institutions for the purpose of placing deposit. The Group actively monitors its credit exposure to each counterparty to ensure compliance with the counterparty risk limits of the Board-approved Treasury Policy.

Of the total cash and cash equivalent at 29 September 2023 and 30 September 2022, the cash was predominantly held by financial institutions with minimum short-term ratings of A-1 (Standard and Poor's) or P-1 (Moody's). The Group accordingly does not expect any loss in relation to its cash and cash equivalents and bank overdrafts at 29 September 2023.

Price risk
The Group purchases a variety of commodities which can be subject to significant price volatility. The price risk on these commodities is managed by the Group's purchasing function by closely monitoring markets. The Group's policy is to minimise its exposure to volatility by adopting an appropriate forward purchase strategy by providing forward price forecasts to the business. This forecast enables the Group to both predict and manage inflation.

Reconciliation of movements of liabilities to cash flows arising from financing activities

The reconciliation from opening to closing for the year ended 29 September 2023 is as follows:

	At 30 September 2022 £m	Financing cash flows £m	Foreign currency translation £m	Other and non-cash movements £m	Other operating cash movements £m	At 29 September 2023 £m
Bank borrowings	**(158.8)**	**20.2**	**–**	**(0.4)**	**–**	**(139.0)**
Private Placement Notes	**(67.9)**	**15.5**	**4.6**	**–**	**–**	**(47.8)**
Lease liabilities	**(48.0)**	**15.6**	**–**	**(13.8)**	**1.2**	**(45.0)**
Total changes in liabilities arising from financing activities	**(274.7)**	**51.3**	**4.6**	**(14.2)**	**1.2**	**(231.8)**

The reconciliation of opening to closing for the prior year ended 30 September 2022 is as follows:

	At 24 September 2021 £m	Financing cash flows £m	Foreign currency translation £m	Other and non-cash movements £m	Other operating cash movements £m	At 30 September 2022 £m
Bank borrowings	(150.1)	(9.6)	–	0.9	–	(158.8)
Private Placement Notes	(106.6)	47.3	(8.9)	0.3	–	(67.9)
Lease liabilities	(59.6)	17.3	–	(6.9)	1.2	(48.0)
Total changes in liabilities arising from financing activities	(316.3)	55.0	(8.9)	(5.7)	1.2	(274.7)

In relation to cash flows from financing activities that relate to equity, there were a number of share capital movements. Issue of share capital decreased by £0.4m (2022: £0.1m) in the financial year due to the share buyback programme. £26.2m (2022: £8.8m) of the cash outflow has been recognised within retained earnings. In the financial year, £3.9m (2022: £3.0m) of own shares were purchased and put into trust. These have been recognised within the own share reserve.

Capital management

The Group manages its capital to ensure that entities in the Group will be able to trade on a going concern basis while maximising the return to stakeholders through the optimisation of the debt and equity balance. The change in debt capital structure in the year is set out in the Alternative Performance Measures and the change in equity is set out in Note 25. Invested capital is defined as the sum of all current and non-current assets (including intangibles), less current and non-current liabilities with the exception of debt items, derivatives and retirement benefit obligations. The invested capital of the Group at 29 September 2023 is £667.0m (2022: £689.2m). The Group monitors the Return on Invested Capital of the Group as a Key Performance Indicator; the calculation is set out in the Alternative Performance Measures section on page 181.

23. Provisions

	Leases £m	Remediation and closure £m	Reorganisation £m	Other £m	Total £m
Year ended 29 September 2023					
At 30 September 2022	**4.8**	**1.4**	**2.5**	**1.2**	**9.9**
Provided in financial year	**0.3**	**1.2**	**–**	**1.0**	**2.5**
Utilised in financial year	**–**	**(0.3)**	**(2.1)**	**–**	**(2.4)**
Released in financial year	**–**	**–**	**–**	**(0.2)**	**(0.2)**
Unwind of discount to present value in the financial year	**0.1**	**–**	**–**	**–**	**0.1**
At 29 September 2023	**5.2**	**2.3**	**0.4**	**2.0**	**9.9**

Analysed as:

	2023 £m	2022 £m
Non-current liabilities	**6.9**	5.2
Current liabilities	**3.0**	4.7
	9.9	9.9

Leases

Lease provisions consist of provisions for leasehold dilapidations in respect of certain leases, relating to the estimated cost of reinstating leasehold premises to their original condition at the time of the inception of the lease as provided for in the lease agreement. It is anticipated that these will be payable within 10 years.

Notes to the Group Financial Statements continued
financial year ended 29 September 2023

23. Provisions continued

Remediation and closure

Remediation and closure obligations were established to cover either a statutory, contractual or constructive obligation of the Group. The majority of the obligation will unwind in one to five years.

Reorganisation

Reorganisation provisions consist of provisions for personnel exit costs arising from the Group's Better Greencore change programme. The provision will unwind in one year.

Other

Other provisions consist of potential litigation and warranty claims. On 29 September 2023 the Group completed the sale of the entire share capital of Trilby Trading Limited and a provision was recognised for warranty claims associated with the disposal of this business; see Note 28 for further details. It is anticipated that these provisions will unwind in one to five years.

24. Retirement benefit obligations

The Group operates defined contribution pension schemes in all of its main operating locations. The Group also has legacy defined benefit pension schemes, which were closed to future accrual on 31 December 2009.

Defined contribution pension schemes

The total cost charged to the Income Statement for the current financial year of £15.5m (2022: £14.1m) represents employer contributions payable to the defined contribution pension schemes at rates specified in the rules of the schemes. At 29 September 2023, £2.2m (2022: £2.2m) was included in other accruals in respect of defined contribution pension accruals.

Legacy defined benefit pension schemes

The Group operates one legacy defined benefit pension scheme and one legacy defined benefit commitment in Ireland (the 'Irish schemes') and one legacy defined benefit pension scheme and one legacy defined benefit commitment in the UK (the 'UK schemes'). The Projected Unit Credit actuarial cost method has been employed in determining the present value of the defined benefit pension obligation, the related current service cost and, where applicable, past service cost.

All of the legacy defined benefit pension schemes are closed to future accrual. Scheme assets are held in separate Trustee administered funds. These plans have broadly similar regulatory frameworks. Responsibility for governance of the plans, including investment decisions and contribution schedules, lies with the Company and the respective boards of Trustees.

The Group's cash contributions to its pension schemes are generally determined by reference to actuarial valuations undertaken by the schemes' actuaries at intervals not exceeding three years and not by the provisions of IAS 19 *Employee Benefits*. These funding valuations can differ materially from the requirements of IAS 19. In particular the discount rate used to determine the value of liabilities under IAS 19 *Employee Benefits* is determined by reference to the yield at the year end date on high grade corporate bonds of comparable duration to the liabilities. In contrast the discount rate used in the ongoing valuation is generally determined by reference to the yield on the scheme's current and projected future investment portfolio.

Where a funding valuation reveals a deficit in a scheme, the Group will generally agree a schedule of contributions with the Trustees designed to address the deficit over an agreed future time horizon. A full actuarial valuation was carried out on the Irish scheme at 31 March 2022 and a full actuarial valuation is ongoing with reference to 31 March 2023 for the UK scheme. All of the schemes are operating under the terms of current funding proposals agreed with relevant pension authorities. Based on current discussions with the Trustees of the scheme cash contributions are expected to be in the range of £12m–£15m in FY24.

In November 2022, the Trustees of the Irish legacy defined benefit scheme entered into an annuity buy-in transaction to purchase an insurance policy for the pensioner liabilities, representing approximately 80% of the liabilities of the scheme. This has the benefit of de-risking the future of the scheme. The insurance policy is treated as a plan asset and the fair value of the policy is determined to be the present value of the related obligations. At the completion of the buy-in of the insurance policy, the Group recognised an actuarial loss in equity reflecting the change in the value of the plan assets to match the related obligation.

Legacy defined benefit assets and liabilities

	2023			2022		
	UK schemes £m	**Irish schemes £m**	**Total £m**	UK schemes £m	Irish schemes £m	Total £m
Fair value of plan assets	**159.4**	**145.4**	**304.8**	168.7	170.3	339.0
Present value of scheme liabilities	**(197.2)**	**(127.7)**	**(324.9)**	(228.0)	(131.3)	(359.3)
(Deficit)/surplus in schemes	**(37.8)**	**17.7**	**(20.1)**	(59.3)	39.0	(20.3)
Deferred tax asset/(liability) (Note 9)	**9.5**	**(2.2)**	**7.3**	14.8	(4.9)	9.9
Net (liability)/asset at end of financial year	**(28.3)**	**15.5**	**(12.8)**	(44.5)	34.1	(10.4)
Presented as:						
Retirement benefit asset*	–	**18.4**	**18.4**	–	39.8	39.8
Retirement benefit obligation	**(37.8)**	**(0.7)**	**(38.5)**	(59.3)	(0.8)	(60.1)

* The value of a net pension benefit asset is the value of any amount the Group reasonably expects to recover by way of refund of surplus from the remaining assets of a plan at the end of the plan's life.

The International Financial Reporting Standards Interpretations Committee ('IFRIC 14') clarifies how the asset ceiling should be applied, particularly how it interacts with local minimum funding rules. The Group has determined that it has an unconditional right to a refund of surplus assets if the schemes are run off until the last member dies.

Movement in the fair value of plan assets

	2023 £m	2022 £m
Change in fair value of plan assets		
Fair value of plan assets at beginning of financial year	**339.0**	481.3
Interest income on plan assets	**15.0**	7.3
Actuarial loss	**(36.0)**	(141.9)
Administrative expenses paid from plan assets	**(1.3)**	(1.3)
Employer contributions	**12.4**	12.6
Benefit payments	**(22.1)**	(22.3)
Effect of exchange rate changes	**(2.2)**	3.3
Fair value of plan assets at end of financial year	**304.8**	339.0

Movement in the present value of legacy defined benefit obligations

	2023 £m	2022 £m
Change in present value of scheme liabilities		
Benefit obligation at beginning of financial year	**359.3**	527.3
Interest expense	**16.2**	8.4
Actuarial gain on financial assumptions	**(19.9)**	(177.8)
Actuarial (gain)/loss on experience	**(1.8)**	21.5
Actuarial gain on demographic assumptions	**(5.1)**	–
Administration costs included in defined benefit obligation for schemes in wind up	**–**	(0.2)
Benefit payments	**(22.1)**	(22.3)
Effect of exchange rate changes	**(1.7)**	2.4
Present value of scheme liabilities at end of financial year	**324.9**	359.3

Risks and assumptions

The legacy defined employee benefit plans expose the Group to a number of risks, the most significant of which are:

Asset volatility: The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. If assets underperform this yield this will create a deficit. The plans hold assets which, though expected to outperform corporate bonds in the long term, create volatility and risk in the short term. The allocation to assets is monitored to ensure that it remains appropriate given the plans' long-term objectives.

Discount rates: The discount rates employed in determining the present value of the schemes' liabilities are determined by reference to market yields at the financial year end date on high-quality corporate bonds of a currency and term consistent with the currency and term of the associated post-employment benefit obligations. Changes in discount rates impact the quantum of the liabilities.

Notes to the Group Financial Statements continued
financial year ended 29 September 2023

24. Retirement benefit obligations continued
Risks and assumptions continued

Inflation risk: Some of the Group's pension obligations are linked to inflation; higher inflation will lead to higher liabilities (although in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The rate of inflation is derived from the relative yields of index-linked and fixed interest government bonds priced as of 29 September 2023 in the UK. The Irish inflation assumption has been set based on market expectations at the reporting date which included consideration of the yield on long-term Irish Government bonds.

Longevity risk: In the majority of cases, the Group's legacy defined benefit pension schemes provide benefits for the life of the member, so increases in life expectancy will therefore give rise to higher liabilities.

Climate change: The impact of climate change on mortality rates, particularly future mortality rates, has been considered and it has been concluded that there is no impact in the current financial year. This will continue to be kept under review.

The size of the obligation is sensitive to judgemental actuarial assumptions. These include demographic assumptions covering mortality, economic assumptions covering price inflation and benefit increases, together with the discount rate.

The principal actuarial assumptions are as follows:

	UK schemes		Irish schemes	
	2023	2022	**2023**	2022
Rate of increase in pension payments*	**3.05%**	3.35%	**1.50%**	0.00%
Discount rate	**5.60%**	5.00%	**4.50%**	4.00%
Inflation rate**	**3.30%**	3.55%	**2.50%**	2.40%

* The rate of increase in pension payments applies to the majority of the liability base, however there are certain categories within the Group's Irish schemes that have an entitlement to pension indexation.

** The assumption for Retail Price Index ('RPI') and Consumer Price Index ('CPI') are derived from the Harmonised Index of Consumer Prices ('HICP') and relative yields of index-linked and fixed interest government bonds.

Assumptions regarding future mortality experience are set based on information from published statistics and experience in all geographic regions and are selected to reflect the characteristics and experience of the membership of the relevant plans. In relation to the UK, this has been done by reflecting the characteristics of the membership using the demographic tables from S3PA YoB with CMI 2021 model for future improvements in mortality. The average life expectancy, in years, of a pensioner retiring at 65 is as follows:

	UK schemes		Irish schemes	
	2023 years	2022 years	**2023 years**	2022 years
Male	**22**	22	**23**	23
Female	**24**	24	**24**	24

Sensitivity of pension liability to judgemental assumptions

		Impact on scheme liabilities			
Assumption	**Change in assumption**	**UK schemes £m**	**Irish schemes £m**	**Total 2023 £m**	Total 2022 £m
Discount rate	Decrease by 0.5%	**13.5**	**6.3**	**19.8**	22.5
Discount rate	Increase by 0.5%	**(12.1)**	**(5.8)**	**(17.9)**	(20.3)
Rate of inflation	Decrease by 0.5%	**(9.8)**	**(1.6)**	**(11.4)**	(16.5)
Rate of inflation	Increase by 0.5%	**11.1**	**1.8**	**12.9**	15.8
Rate of mortality	Members assumed to live 1 year longer	**4.7**	**5.5**	**10.2**	10.9

Sensitivity of pension scheme assets to yield movements

		Impact on scheme assets			
Assumption	**Change in assumption**	**UK schemes £m**	**Irish schemes £m**	**Total 2023 £m**	Total 2022 £m
Change in bond yields	Decrease by 0.5%	**11.5**	**6.2**	**17.7**	21.5

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. The sensitivity analysis intends to provide assistance in understanding the sensitivity of the valuation of pension liabilities to market movements on discount rates, inflation rates and mortality assumptions for scheme beneficiaries and in understanding the sensitivity of the valuation of pension assets to market movements on bond yields.

Hedging strategy

The Trustees invest the funds in a range of assets with the objective of maximising the fund return with a view to containing the cost of funding the scheme whilst at the same time maintaining an acceptable risk profile. In assessing the risk profile the Trustees take account of the nature and duration of the liabilities.

Plan assets are comprised as follows:

	2023			2022		
	Quoted £m	**Unquoted £m**	**Total £m**	Quoted £m	Unquoted £m	Total £m
Cash	**2.5**	**–**	**2.5**	78.5	–	78.5
Debt instruments	**50.5**	**–**	**50.5**	101.1	–	101.1
Derivatives	**122.9**	**–**	**122.9**	125.0	–	125.0
Investment funds*	**10.8**	**25.6**	**36.4**	16.0	18.4	34.4
Insurance contract*	**–**	**92.5**	**92.5**	–	–	–
Fair value of plan assets	**186.7**	**118.1**	**304.8**	320.6	18.4	339.0

* A quoted market price in an active market is not available.

The primary UK scheme has Liability Driven Investment ('LDI') for 75% (2022: 67%) of the UK funds which aims to hedge 100% (relative to assets) of the interest rate and inflation risk in the scheme. The hedging strategy is designed to reduce the schemes' exposure to changes in interest rates and inflation expectations, therefore, reducing funding level risk and volatility. The Trustees review investment strategy regularly. There is no LDI for the Irish schemes (2022: 50%).

The Trustees of the primary scheme in Ireland, Greencore Group Pension Scheme ('GGPS') entered into a legally binding annuity contract in November 2022 with an insurance company. This annuity policy covered all pensions in payment at that date. As the transaction was a 'buy in' annuity contract the obligations to meet pension payments remain with the GGPS, therefore, the pension members covered under the policy remain a liability of the Scheme. The annuity contract covers c.80% of the GGPS liabilities and provides an exact match for the pension members cash flows secured, i.e. a perfect interest rate, inflation and longevity hedge. The only remaining risk borne by GGPS in respect of these liabilities is the counterparty risk to the insurer and the remaining assets are held in cash and bonds with a view to limit interest and inflation risk in respect of the deferred population.

The hedging on the UK schemes is provided via pooled fund manager funds which have specified limits on leverage.

Maturity analysis

The expected maturity analysis is set out in the table below:

	UK schemes % of benefits	**Irish schemes % of benefits**	**Total % of benefits**
Expected benefit payments:			
Within 5 years	**10%**	**27%**	**17%**
Between 6 and 10 years	**13%**	**22%**	**17%**
Between 11 and 15 years	**15%**	**17%**	**16%**
Between 16 and 20 years	**14%**	**12%**	**13%**
Between 21 and 25 years	**13%**	**8%**	**11%**
Over 25 years	**35%**	**14%**	**26%**

The weighted average duration of the UK and Irish legacy defined benefit obligations are 14 years (2022: 18 years) and 10 years (2022: 11 years) respectively.

Greencore Group Pension Scheme contingent asset

The primary scheme in Ireland, GGPS has a mortgage and charge relating to certain property assets of the Group with a carrying value of £4.6m (2022: £3.1m) for use as a contingent asset of the GGPS. Under the terms of the mortgage and charge, should a disposal of these property assets occur that meets certain requirements, the GGPS is entitled to a portion of the sale proceeds. The maximum amount recoverable by the Trustees of the GGPS under the mortgage and charge is the amount required for the GGPS to meet the minimum funding standard under the Pension Acts 1990-2009.

Pension funding partnership

In 2013, the Group entered into arrangements with the Greencore UK Legacy Defined Benefit Scheme ('the UK Scheme') to address £40.0m of the actuarial deficit in the UK Scheme. The substance of this arrangement is to reduce the cash funding which would otherwise be required based on the latest actuarial valuation, whilst improving the security of the UK Scheme members' benefits.

Notes to the Group Financial Statements continued
financial year ended 29 September 2023

24. Retirement benefit obligations continued

Pension funding partnership continued

On 10 May 2013, the Group made a contribution to the UK Scheme of £32.8m. On the same day, the UK Scheme's Trustees invested £32.8m in Greencore Convenience Foods Limited Partnership ('SLP') as a limited partner. SLP was established by Greencore Prepared Meals Limited, a wholly owned subsidiary of the Group, to hold properties of the Group and loan notes issued by Greencore Convenience Foods I Limited Liability Partnership ('LLP'). LLP was established by SLP and holds certain trade receivables of the Group. As at 29 September 2023, SLP held properties with a carrying value of £14.8m (2022: £15.2m) and trade receivables with a carrying value of £36.0m (2022: £36.0m) in the Group Financial Statements. The properties are leased to other Group undertakings. As a partner in the SLP, the UK Scheme is entitled to a semi-annual share of the profits of SLP until 2029.

These partnerships are controlled by the Group, and as such, they are fully consolidated as wholly owned subsidiaries in accordance with IFRS 10 *Consolidated Financial Statements*. Under IAS 19 *Employee Benefits*, the investment held by the Scheme in SLP, does not represent a plan asset for the purposes of the Group's Financial Statements. Accordingly, the UK Scheme's deficit position presented in the Group Financial Statements does not reflect the investment in SLP held by the UK Scheme. Distributions from SLP to the UK Scheme are treated as contributions by employers in the Group Financial Statements on a cash basis.

25. Share capital

Authorised	2023 £m	2022 £m
1,000,000,000 Ordinary Shares of £0.01 each	**10.0**	10.0
500,000,000 Deferred Shares of €0.01 each	**4.3**	4.3
300,000,000 Deferred Shares of €0.62 each	**160.1**	160.1
1 Special Rights Preference Share of €1.26[(A)]	**–**	–
	174.4	174.4

Issued and fully paid	2023 £m	2022 £m
483,453,842 (2022: 516,836,560) Ordinary Shares of £0.01 each	**4.8**	5.2
1 Special Rights Preference Share of €1.26[(A)]	**–**	–
	4.8	5.2

Reconciliation of movements on equity share capital	2023 £'000	2022 £'000
Share capital, at beginning of financial year	**5,158**	5,255
Exercise of share options[(B)]	**–**	–
Share buyback and cancellation of shares[(C)]	**(334)**	(97)
Share capital, at end of financial year	**4,824**	5,158

(A) There is one Special Rights Preference Share of €1.26 in the capital of the Company. The Articles of Association provide that the Special Share may be held only by, or transferred only to, the Minister for Agriculture, Food and the Marine or some other person appointed by the Minister. In 2011, many of the rights attaching to the Special Share were abolished.
(B) No share options (2022: 18,575) granted under the ShareSave Scheme were exercised in the financial year. Exercises in the previous financial year were at a nominal value of £0.0002m. See Note 6.
(C) 33,382,718 Ordinary Shares in the Company were repurchased in the current financial year and immediately cancelled (2022: 9,728,677). The shares which had a nominal value £0.334m (2022: £0.097m) were purchased for £26.2m (2022: £8.8m).

All shares, with the exception of the Special Rights Preference Share, carry equal voting rights and rank for dividends to the extent to which the total amount payable in each share is paid up.

Prior consent of the holder of the Special Share is required in the event that there is a proposal for the voluntary winding up or dissolution of the Company or if there is any proposed sale, transfer or disposal of the Company's subsidiary, Irish Sugar Designated Activity Company. The holder of the Special Share is only entitled to a repayment of the capital paid up on the Special Share (€1.26) and has no further right to participate in the profits of the Company or any entitlement to dividend.

Own share reserve:

	Number of shares		Nominal value of shares		Total own share reserve	
	2023 number	2022 number	2023 £	2022 £	2023 £m	2022 £m
At beginning of financial year	**2,877,009**	986,837	**0.029**	0.010	**4.4**	1.8
Shares acquired by Employee Benefit Trust	**5,688,856**	2,180,216	**0.057**	0.022	**3.9**	3.0
Transferred to beneficiaries of the share scheme	**(1,540,738)**	(290,044)	**(0.015)**	(0.003)	**(1.9)**	(0.4)
At end of financial year	**7,025,127**	2,877,009	**0.071**	0.029	**6.4**	4.4

At 29 September 2023, 1.5% of share capital is held in this reserve (30 September 2022: 0.6%).

26. Working capital movement

The following represents the Group's working capital movement:

	2023 £m	2022 £m
Inventories	**(9.6)**	(15.6)
Trade and other receivables	**2.7**	(52.6)
Trade and other payables	**9.1**	70.2
	2.2	2.0

27. Capital expenditure commitments

The table below includes the capital commitments for the Group as at 29 September 2023 and 30 September 2022:

	2023 £m	2022 £m
Capital expenditure that has been contracted but not been provided for	**9.1**	8.7
Capital expenditure that has been authorised by the Directors but not yet contracted	**7.2**	10.5
	16.3	19.2

28. Disposal of undertakings

Trilby Trading Limited

On 29 September 2023, the Group completed the sale of the entire share capital of Trilby Trading Limited ('Trilby') to K.T.C. (Edibles) Limited, a majority owned subsidiary of funds managed by Endless LLP. Trilby is an importer and distributor of edible oils and fats for the food processing industry, operating out of Ireland. From a sustainability perspective, the Group's disposal of Trilby is expected to result in the removal of circa 280,000 tonnes of carbon dioxide equivalents (CO_2e) from the Group's FY24 Scope 3 footprint. This accounts for 20% of the Group's total Scope 3 footprint in FY23 and a 32% reduction in the base year.

The business is not considered to be a separate major line of business or geographical area of operation and therefore does not constitute a discontinued operation as defined in *IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations*. Trilby is included within the Convenience Foods UK and Ireland reporting segment.

Effect of disposal on the financial statements

	2023 £m
Goodwill and intangible assets	**(2.0)**
Property, plant and equipment	**(0.4)**
Trade and other receivables	**(11.5)**
Cash and cash equivalents	**(5.1)**
Trade and other payables	**8.1**
Derivative financial Instruments	**0.1**
Total assets and liabilities disposed of	**(10.8)**
Disposal consideration	
Purchase consideration	**8.5**
Working capital settlement	**2.8**
Total net consideration	**11.3**
Disposal-related costs	**(1.0)**
Translation reserve transferred to Income Statement on disposal of subsidiary	**0.6**
Profit on disposal	**0.1**

Reconciliation of consideration to cash received

	2023 £m
Purchase consideration	**8.5**
Cash received in respect of working capital settlement	**2.8**
Transaction costs paid	**(0.1)**
Net consideration received on completion	**11.2**
Cash and cash equivalents disposed of	**(5.1)**
Net cash inflow arising on disposal	**6.1**

Notes to the Group Financial Statements continued
financial year ended 29 September 2023

29. Contingencies
The Company and certain subsidiaries have given guarantees in respect of borrowings and other obligations arising in the ordinary course of business of the Company and other Group undertakings. The Company treats these guarantee contracts as contingent liabilities until such time as it becomes probable that a payment will be required under such guarantees.

Pursuant to the provisions of Section 357, Companies Act 2014, the Company has guaranteed the liabilities of certain subsidiary undertakings in Ireland for the financial year ended 29 September 2023 and as a result, such subsidiary undertakings have been exempted from the filing provisions of Companies Act 2014. See Note 31 for the list of these subsidiary entities.

Greencore have two letters of credit ('LoCs') in place to satisfy our insurers' collateral requirements for Employers Liability and Motor Self-Insured Programs for an amount of £5.5m (2022: £4.6m). The insurers are responsible for paying out on these claims but recovers quarterly from Greencore. The LoCs reduce the insurers credit exposure during the period between the claim payout and subsequent recovery from Greencore.

30. Related party disclosures
The principal related party relationships requiring disclosure in the Group Financial Statements under IAS 24 *Related Party Disclosures* pertain to the existence of subsidiaries and associates and transactions with these entities entered into by the Group, as well as the identification and compensation of key management personnel, as addressed in greater detail below.

Subsidiaries
The Group Financial Statements include the Financial Statements of the Company (Greencore Group plc, the ultimate parent) and its subsidiaries. A listing of the principal subsidiaries is provided in Note 31 to the Group Financial Statements.

Sales to and purchases from, together with outstanding payables and receivables to and from, subsidiaries, are eliminated in the preparation of the Group Financial Statements in accordance with IFRS 10 *Consolidated Financial Statements*.

Key management personnel
For the purposes of the disclosure requirements of IAS 24 *Related Party Disclosures*, the term 'Key Management Personnel' (i.e. those persons having the authority and responsibility for planning, directing and controlling the activities of the Company), comprise the Board of Directors which manages the business and affairs of the Group.

Key management personnel compensation was as follows:

	2023 £m	2022 £m
Salaries, fees and other short-term employee benefits	**2.8**	2.0
Post-employment benefits – defined contribution costs	**0.1**	0.1
Share-based payments*	**0.6**	–
	3.5	2.1

* This is the Income Statement charge for the financial year which represents the fair value of the share-based payments, relating to Executive Directors. Details of the Group's share-based payments and the basis of calculation are set out in Note 6. This differs from the amount included in the single total figure for remuneration included in the Directors' Report which is not an IFRS metric.

31. Principal subsidiary undertakings

Name of undertaking	Nature of business	Percentage share	Registered office
Greencore Advances Designated Activity Company(A)(C)	Finance Company	100	No. 2 Northwood Avenue, Northwood Business Park, Santry, Dublin 9, D09 X5N9
Greencore Beechwood Limited(A)(D)	Holding Company	100	Greencore Manton Wood, Retford Road, Manton Wood Enterprise Park, Worksop, S80 2RS
Greencore Convenience Foods Limited Partnership(B)(D)	Pension Funding	100	1 George Square, Glasgow, United Kingdom, G2 1AL
Greencore Convenience Foods I Limited Liability Partnership(B)(D)	Pension Funding	100	Greencore Manton Wood, Retford Road, Manton Wood Enterprise Park, Worksop, S80 2RS
Greencore Developments Designated Activity Company(A)(C)	Property Company	100	No. 2 Northwood Avenue, Northwood Business Park, Santry, Dublin 9, D09 X5N9
Greencore Finance Designated Activity Company(A)(C)	Finance Company	100	No. 2 Northwood Avenue, Northwood Business Park, Santry, Dublin 9, D09 X5N9
Greencore Foods Limited(A)(D)	Holding and Management Services Company	100	Greencore Manton Wood, Retford Road, Manton Wood Enterprise Park, Worksop, S80 2RS
Greencore Food to Go Limited(A)(D)	Food Processor	100	Greencore Manton Wood, Retford Road, Manton Wood Enterprise Park, Worksop, S80 2RS
Greencore Funding Limited(A)(E)	Finance Company	100	IFC 5, St. Helier, Jersey, JE1 1ST
Greencore Grocery Limited(A)(D)	Food Processor	100	Greencore Manton Wood, Retford Road, Manton Wood Enterprise Park, Worksop, S80 2RS
Greencore Prepared Meals Limited(A)(D)	Food Processor	100	Greencore Manton Wood, Retford Road, Manton Wood Enterprise Park, Worksop, S80 2RS
Greencore UK Holdings Limited(A)(D)	Holding Company	100	Greencore Manton Wood, Retford Road, Manton Wood Enterprise Park, Worksop, S80 2RS
Hazlewood Foods Limited(A)(D)	Holding Company	100	Greencore Manton Wood, Retford Road, Manton Wood Enterprise Park, Worksop, S80 2RS
Irish Sugar Designated Activity Company(A)(C)	General Trading Company	100	No. 2 Northwood Avenue, Northwood Business Park, Santry, Dublin 9, D09 X5N9

(A) These companies are all ultimately held 100% by Greencore Group plc. Each of the shares held are Ordinary Shares.
(B) These companies are partnerships and the interests held represents interests in member capital.
(C) These companies are registered in Ireland and are availing of the exemption as set out in s.357 of the Companies Act 2014.
(D) These companies are registered in the UK.
(E) This company is registered in Jersey.

Notes to the Group Financial Statements continued
financial year ended 29 September 2023

32. Subsequent events
Bank refinancing
Subsequent to the financial year end, the Group has refinanced its debt facilities with a new five-year £350m sustainability-linked revolving credit facility ('RCF'), maturing in November 2028 with the option to extend for up to a further two years. This new facility replaces the existing £340m RCF that was due to mature in January 2026. A £45m term loan due to mature in June 2024 was also repaid in full as part of this debt restructuring.

33. Board approval
The Group Financial Statements, together with the Company Financial Statements, for the financial year ended 29 September 2023 were approved by the Board of Directors and authorised for issue on 27 November 2023.

Company Statement of Financial Position
at 29 September 2023

	Notes	2023 £m	2022 £m
ASSETS			
Non-current assets			
Intangible assets		**0.2**	0.4
Property, plant and equipment		**0.1**	0.3
Right-of-use assets		**0.3**	0.4
Financial assets	2	**765.1**	766.6
Total non-current assets		**765.7**	767.7
Current assets			
Trade and other receivables	3	**3.4**	3.6
Cash and cash equivalents		**0.2**	0.1
Total current assets		**3.6**	3.7
Total assets		**769.3**	771.4
EQUITY			
Capital and reserves			
Share capital	4	**4.8**	5.2
Share premium		**89.7**	89.7
Undenominated capital reserve		**120.9**	120.5
Other reserves		**(2.3)**	(0.6)
Retained Earnings		**118.9**	149.3
Total equity		**332.0**	364.1
LIABILITIES			
Non-current liabilities			
Lease liabilities		**–**	0.2
Provisions	5	**1.1**	0.6
Total non-current liabilities		**1.1**	0.8
Current liabilities			
Bank overdraft		**46.2**	5.8
Lease liabilities		**0.2**	0.3
Trade and other payables	6	**388.9**	399.8
Provisions	5	**0.9**	0.6
Total current liabilities		**436.2**	406.5
Total liabilities		**437.3**	407.3
Total equity and liabilities		**769.3**	771.4

Company only loss for the financial year was £5.6m (2022: loss of £4.8m).

Leslie Van de Walle
Director

Dalton Philips
Director

Company Statement of Changes in Equity
financial year ended 29 September 2023

	Share capital £m	Share premium £m	Undenominated capital reserve(D) £m	Share-based payment reserve(E) £m	Own share reserve(F) £m	Retained earnings £m	Total equity £m
At 30 September 2022	**5.2**	**89.7**	**120.5**	**3.8**	**(4.4)**	**149.3**	**364.1**
Total comprehensive income for the financial year							
Loss for the financial year	–	–	–	–	–	(5.6)	(5.6)
Total comprehensive income for the financial year	–	–	–	–	–	(5.6)	(5.6)
Transactions with equity holders of the Company							
Contributions and distributions							
Employee share-based payment expense	–	–	–	3.6	–	–	3.6
Exercise, forfeit or lapse of share-based payments	–	–	–	(3.3)	–	3.3	–
Shares acquired by Employee Benefit Trust(A)	–	–	–	–	(3.9)	–	(3.9)
Transfer to retained earnings on grant of shares to beneficiaries of the Employee Benefit Trust(B)	–	–	–	–	1.9	(1.9)	–
Capital return via share buyback(C)	(0.4)	–	0.4	–	–	(26.2)	(26.2)
Total transactions with equity holders of the Company	(0.4)	–	0.4	0.3	(2.0)	(24.8)	(26.5)
At 29 September 2023	**4.8**	**89.7**	**120.9**	**4.1**	**(6.4)**	**118.9**	**332.0**

	Share capital £m	Share premium £m	Undenominated capital reserve(D) £m	Share-based payment reserve(E) £m	Own share reserve(F) £m	Retained earnings £m	Total equity £m
At 24 September 2021	5.3	89.7	120.4	3.6	(1.8)	160.5	377.7
Total comprehensive income for the financial year							
Loss for the financial year	–	–	–	–	–	(4.8)	(4.8)
Total comprehensive income for the financial year	–	–	–	–	–	(4.8)	(4.8)
Transactions with equity holders of the Company							
Contributions and distributions							
Employee share-based payment expense	–	–	–	3.0	–	–	3.0
Exercise, forfeit or lapse of share-based payments	–	–	–	(2.8)	–	2.8	–
Shares acquired by Employee Benefit Trust(A)	–	–	–	–	(3.0)	–	(3.0)
Transfer to retained earnings on grant of shares to beneficiaries of the Employee Benefit Trust(B)	–	–	–	–	0.4	(0.4)	–
Capital return via share buyback(C)	(0.1)	–	0.1	–	–	(8.8)	(8.8)
Total transactions with equity holders of the Company	(0.1)	–	0.1	0.2	(2.6)	(6.4)	(8.8)
At 30 September 2022	5.2	89.7	120.5	3.8	(4.4)	149.3	364.1

(A) Pursuant to the terms of the Employee Benefit Trust 5,688,856 shares (2022: 2,180,216) were purchased during the financial year ended 29 September 2023 for a cash cost of £3.9m (2022: £3.0m). Further details are set out in Note 25 to the Group Financial Statements.

(B) During the financial year, 1,540,738 (2022: 290,044) shares with a nominal value at the date of transfer of £0.015m (2022: £0.0029m) at a cost of £1.9m (2022: £0.4m) were transferred to beneficiaries of the Annual Bonus Plan and the Employee Share Incentive Plan. Further details are set out in Note 25 to the Group Financial Statements.

(C) During the financial year, the Company, Greencore Group plc purchased and subsequently cancelled 33,382,718 Ordinary Shares (2022: 9,728,677) for a total cash cost of £26.2m (2022: £8.8m) as part of the share buyback programme. Further details are set out in Note 25 to the Group Financial Statements.

(D) The undenominated capital reserve represents the nominal cost of cancelled shares and the amount transferred to reserves as a result of renominalising the share capital of Greencore Group plc on conversion to the euro.

(E) The share-based payment reserve relates to equity settled share-based payments made to employees through the Performance Share Plan, the Annual Bonus Plan, the ShareSave Scheme, the Employee Share Incentive Plan and the Restricted Share Plan. Further information in relation to these share-based payments schemes is set out in Note 8.

(F) The amount included as own shares relates to Ordinary Shares in Greencore Group plc which are held in trust. The shares held in trust are granted to beneficiaries of the Group's employee share award scheme when the relevant conditions of the scheme are satisfied.

Notes to the Company Financial Statements
financial year ended 29 September 2023

1. Company only Statement of accounting policies

Basis of preparation

The Company only Financial Statements of Greencore Group plc ('the Company') were prepared under the historical cost convention, in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ('FRS 101'). In preparing these Financial Statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ('Adopted IFRSs') but makes amendments where necessary in order to comply with the Companies Act 2014 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these Company Financial Statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

As the Consolidated Financial Statements of the Group are prepared in accordance with IFRS as adopted by the EU and include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 2 *Share Based Payments*;
- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instruments*: *Disclosures*;
- Certain disclosures required by IFRS 16 *Leases*.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. The Company applies consistent accounting policies for measurement and recognition purposes under FRS 101 to those applied by the Group. To the extent that an accounting policy is relevant to both Group and the Company financial statements, please refer to the Group Financial Statements for disclosure of the relevant accounting policy.

The Company Financial Statements have been prepared in sterling and are rounded to the nearest million.

Going concern

Notwithstanding the fact that the Company is in a net current liability position of £432.6m (FY22: £402.8m), the Directors, after making enquiries and considering the scenario analysis that was performed as part of the Group's going concern assessment, have a reasonable expectation that the Company has adequate resources to continue operating as a going concern for the foreseeable future, being a period of 18 months from the financial year end date. The Company's funding facilities are managed centrally by the Group and the Directors have taken steps to ensure adequate liquidity is available to the Company from future cashflows generated by the Company and Group. The Directors are satisfied that financing could be obtained from other Greencore Group companies if required. As the Company participates in Group funding arrangements with the Group's external bankers and as part of these arrangements, the Company, along with other members of the Greencore Group, has provided guarantees in relation to the payment of borrowings of the Group from several banks, the performance of Greencore Group is also important in determining the appropriateness of the going concern of the Company. Accordingly, the financial statements of the Company are prepared on a going concern basis.

Significant accounting judgements

Interest in subsidiary undertakings

The Company considered the judgements made in determining whether there is an impairment in the interest in subsidiary undertakings to be its significant accounting judgement. The Company compares the carrying value of the investment with its recoverable amount, with the recoverable amount being the higher of the investment's fair value less costs to sell and its value in use ('VIU').

For subsidiaries which have an interest in the Convenience Foods UK Cash Generating Unit ('CGU'), a VIU is calculated as the present value of expected future cash flows from the CGU as set out in the Group goodwill impairment testing in Note 12 to the Group Financial Statements, and adjusted to derive its entity value. This is compared to the carrying value of the subsidiary to consider whether an impairment is required.

For subsidiaries which do not have an interest in the Convenience Foods UK CGU, the total net assets of those subsidiaries are compared to the investment carrying value to consider whether an impairment is required.

Applying these techniques, the Company recognised an impairment in the current financial year of £1.5m (2022: £Nil).

Profit or loss

The loss attributable to equity shareholders dealt with in the Company Financial Statements was £5.6m (2022: loss of £4.8m).

In accordance with Section 304 of the Companies Act 2014, the Company is availing of the exemption from presenting its individual Income Statement to the Annual General Meeting and from filing it with the Registrar of Companies.

Notes to the Company Financial Statements continued
financial year ended 29 September 2023

1. Company only Statement of accounting policies continued

Financial assets

Investments in subsidiaries are held at cost less impairment. 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.

Trade and other receivables

Trade and other receivables, which primarily comprise inter-company receivables, are initially recognised at their transaction value and subsequently carried at amortised cost, net of allowance for expected credit loss ('ECL').

The Company's inter-company receivables at 29 September 2023 amounted to £2.0m (2022: £1.2m). There is no material ECL in respect of inter-company receivables as at 29 September 2023 or 30 September 2022.

Trade and other payables

Trade and other payables are initially recorded at their fair value and subsequently carried at amortised cost.

Intra-Group guarantees

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its Group, the Company accounts for these as a contingent liability until such time as it becomes probable that a payment will be required under such guarantees.

2. Financial assets

	Interest in subsidiary undertakings £m	Total £m
At 30 September 2022	**766.6**	**766.6**
Impairment loss	**(1.5)**	**(1.5)**
At 29 September 2023	**765.1**	**765.1**

At 29 September 2023, the recoverable value of investment in subsidiaries was assessed for impairment in line with the requirements of IAS 36 *Impairment of Assets*.

The recoverable value of the interest in subsidiary undertakings has been determined either based on the total net assets of the subsidiary or a Value in Use ('VIU') calculation adjusted to derive equity value using cash flow projections, long-term growth rate and discount rates as set out below:

(i) Cash flow projections

The cash flow projections are based on the FY24 budget, which has been approved by the Board, and a two-year strategic plan, which specifically excludes incremental profits and other cash flows stemming from any potential future acquisitions or future operational restructuring. The cash flows involved judgements to determine the appropriate level of expected cash flows over the three-year forecast period and these were subject to review and validation at a number of levels of governance.

(ii) Long-term growth rate

A long-term growth rate of 2% has been used in extrapolating the cash flows beyond the budget and strategic plan period to perpetuity. The growth rate does not exceed the long-term average growth rate for industries in which the UK Convenience Foods Cash Generating Unit ('CGU') operates.

(iii) Discount rate

The discount rate applied is based on the pre-tax weighted average cost of capital for the Group, calculated using the Capital Asset Pricing Model adjusted for the Group's specific beta coefficient together with a country risk premium to take account where the CGU derives its cashflows.

Applying these techniques, the Company recognised an impairment loss of £1.5m (2022: £Nil).

The principal holding subsidiaries of the Company are Greencore Holdings Designated Activity Company (100% ownership of which 74% is held directly by the Company and 26% indirectly in Ordinary Shares) and Greencore Holdings (Ireland) Limited (100% ownership of Ordinary Shares) which are all incorporated in Ireland. Irish Sugar Designated Activity Company, incorporated in Ireland, is the Company's principal general trading subsidiary in Ireland and the Company holds 100% ownership of Ordinary Shares.

3. Trade and other receivables

	2023 £m	2022 £m
Amounts falling due within one year		
Amounts owed by subsidiary undertakings*	**2.0**	1.2
Other debtors	**1.1**	1.9
Prepayments and accrued income	**0.3**	0.5
	3.4	3.6

* Amounts due from subsidiary undertakings are classified as current and are repayable on demand.

4. Share capital

Details in respect of called-up share capital are presented in Note 25 to the Group Financial Statements.

5. Provisions

	Total £m
At 30 September 2022	**1.2**
Provided in financial year	**1.0**
Released in financial year	**(0.2)**
At 29 September 2023	**2.0**

Analysed as:

	2023 £m	2022 £m
Non-current liabilities	**1.1**	0.6
Current liabilities	**0.9**	0.6
	2.0	1.2

Provisions consist of warranties and provisions for legal costs of £1.7m, with £0.5m being provided for in the current year as a result of the disposal of Trilby Trading Limited (a wholly owned subsidiary of the Group). It is anticipated that these provisions will unwind in one to five years. Also in the current financial year, £0.3m was provided for in respect of a lease provision for dilapidation repairs. It is anticipated that this provision will unwind in one year.

6. Trade and other payables

	2023 £m	2022 £m
Amounts falling due within one year		
Amounts owed to subsidiary undertakings*	**379.2**	389.1
Trade and other creditors	**1.3**	3.3
Accruals	**8.4**	7.4
	388.9	399.8

* Amounts due to subsidiary undertakings are classified as current and are repayable on demand.

7. Employee benefits

The Company operates a defined contribution pension scheme. The Company also participates in a legacy defined benefit pension scheme operated by a subsidiary company, Irish Sugar DAC, which was closed to future accrual on 31 December 2009.

Defined benefit pension scheme

A fellow Group company, Irish Sugar DAC, operates a funded defined benefit pension scheme for its employees, including certain employees of the Company. The scheme assets are held in separate Trustee administered funds.

This scheme had a net surplus at 29 September 2023 of £18.4m (2022: £39.8m) as measured on a IAS 19 *Employee Benefits* basis. The contribution for the financial year was £Nil (2022: £Nil). At year end, £Nil (2022: £Nil) was included in other accruals in respect of amounts owed to the scheme. A full actuarial valuation was carried out at 31 March 2022.

Disclosures in relation to this and all other Group legacy defined benefit pension schemes are given in Note 24 to the Group Financial Statements.

Notes to the Company Financial Statements continued
financial year ended 29 September 2023

7. Employee benefits continued
Defined contribution pension scheme

The Company also contributes to a defined contribution scheme for its employees. At year end, £Nil (2022: £Nil) was included in other accruals in respect of amounts owed to the scheme.

The average number of persons employed by the Company (excluding Non-Executive Directors) was 21 (FY22: 23) and the staff costs for the financial year for those employees were:

	2023 £m	2022 £m
Wages and salaries	**3.8**	3.9
Social insurance costs	**0.3**	0.3
Employee share-based payment expense	**0.8**	0.0
Pension costs – defined contribution plans	**0.2**	0.3
	5.1	4.5

No employee costs were capitalised in the financial year (2022: £Nil).

8. Share-based payments
The Company grants share awards and options under various share option plans as detailed in the Directors' Report. A charge of £0.8m (2022: £0.0m) was recognised in the Income Statement of the Company in respect of the employees of the Company. All disclosures relating to the plans are given in Note 6 to the Group Financial Statements.

9. Guarantees and commitments
Pursuant to the provisions of Section 357, Companies Act 2014, the Company has guaranteed the liabilities and commitments of certain subsidiary undertakings in Ireland for the financial year ended 29 September 2023. See Note 31 to the Group Financial Statements for the list of these subsidiary entities.

Where the Company has entered into financial guarantee contracts to guarantee the indebtedness of such subsidiaries, the Company treats these guarantee contracts as contingent liabilities until such time as it becomes probable that a payment will be required under such guarantees. See Note 31 to the Group Financial Statements for the list of these subsidiary entities.

10. Statutory information
Directors' remuneration is disclosed in the Report on Directors' Remuneration and in Note 4 to the Group Financial Statements.

As disclosed in Note 4 to the Group Financial Statements, Auditor's remuneration for the financial year was as follows:

	2023 £000	2022 £000
Fees charged by the statutory audit firm:		
Audit of the Group and subsidiaries financial statements	**882**	797
Audit of the Company financial statements	**47**	42
Tax advisory services	**–**	–
Other assurance services	**25**	25
Non-audit services	**–**	–

Alternative Performance Measures

The Group uses the following Alternative Performance Measures ('APMs') which are non-IFRS measures to monitor the performance of its operations and of the Group as a whole: Pro Forma Revenue Growth, Adjusted EBITDA, Adjusted Operating Profit, Adjusted Operating Margin, Adjusted Profit Before Tax ('PBT'), Adjusted Earnings, Adjusted Earnings per Share ('EPS'), Maintenance and Strategic Capital Expenditure, Free Cash Flow, Free Cash Flow Conversion, Net Debt, Net Debt excluding lease liabilities and Return on Invested Capital ('ROIC'). There have been no adjustments made to existing APMs being reported and no new APMs have been included in this report.

The Group views these APMs as useful for providing historical information to help investors evaluate the performance of the underlying business and are measures commonly used by certain investors and security analysts for evaluating the performance of the Group. In addition, the Group uses certain APMs which reflect the underlying performance of the business on the basis that this provides a focus on the core business performance of the Group. The APMs are not part of the IFRS financial statements and are accordingly are not audited.

Summarised below are the Group's APMs for the financial years presented:

	2023	2022
Pro Forma Revenue Growth	**13.5%**	29.4%
Adjusted Operating Profit	**£76.3m**	£72.2m
Adjusted Operating Margin	**4.0%**	4.2%
Adjusted EBITDA	**£132.8m**	£126.9m
Adjusted Profit Before Tax	**£58.1m**	£59.8m
Adjusted Earnings	**£46.2m**	£48.1m
Adjusted Basic Earnings per Share	**9.3p**	9.2p
Strategic Capital Expenditure	**£10.8m**	£33.1m
Maintenance Capital Expenditure	**£26.6m**	£16.9m
Free Cash Flow	**£56.8m**	£58.7m
Free Cash Flow Conversion	**42.8%**	46.3%
Net Debt	**(£199.0m)**	(£228.0m)
Net Debt excluding lease liabilities	**(£154.0m)**	(£180.0m)
Return on Invested Capital	**8.9%**	8.4%

Pro Forma Revenue Growth

The Group uses Pro Forma Revenue Growth as a supplemental measure of its performance. The Group views Pro Forma Revenue Growth as providing a guide to underlying revenue performance and is calculated by adjusting reported revenue for the impact of acquisitions, disposals and foreign currency.

Pro Forma Revenue Growth FY23

Pro Forma Revenue Growth adjusts reported revenue in FY23 and FY22 to reflect the disposal of Trilby Trading Limited, which completed in FY23. In addition, FY22 revenue has been adjusted for the additional trading week which was included in H2 FY22.

	2023 Convenience Foods UK and Ireland
Reported revenue – % increase from FY22 to FY23	**10.0%**
Impact of disposals	**1.0%**
Impact of additional trading week	**2.5%**
Pro Forma Revenue Growth FY23	**13.5%**

The table below shows the Pro Forma Revenue Growth split by food to go categories and other convenience categories.

	Food to go categories			**Other convenience categories**		
	H1 FY23	**H2 FY23**	**Full year**	**H1 FY23**	**H2 FY23**	**Full year**
Reported revenue – % increase from FY22 to FY23	**15.6%**	**2.0%**	**7.9%**	**28.5%**	**2.0%**	**14.3%**
Impact of disposals	**–**	**–**	**–**	**2.8%**	**6.8%**	**4.2%**
Impact of additional trading week	**–**	**3.7%**	**2.2%**	**–**	**3.7%**	**3.1%**
Pro Forma Revenue Growth FY23	**15.6%**	**5.7%**	**10.1%**	**31.3%**	**12.5%**	**21.6%**

Alternative Performance Measures continued

Pro Forma Revenue Growth continued

Pro Forma Revenue Growth FY22

While Pro Forma Revenue Growth is not comparable year-on-year, we have included the prior year disclosure for completeness. This has been calculated to reflect the disposal of Premier Molasses Company Limited for the period in FY21 up to the date of disposal. As FY22 was a 53 week period, Pro Forma Revenue adjusts the FY22 reported revenue to exclude the additional revenue. It also presents the revenue on a constant currency basis utilising FY21 foreign exchange rates on FY22 reported revenue.

	2022 Convenience Foods UK and Ireland
Reported revenue – % increase from FY21 to FY22	31.3%
Impact of disposals	0.4%
Impact of currency	0.2%
Impact of additional trading week	(2.5%)
Pro Forma Revenue Growth FY22	29.4%

The table below shows the Pro Forma Revenue Growth split by food to go categories and other convenience categories.

	Food to go categories			Other convenience categories		
	H1 FY22	H2 FY22	Full year	H1 FY22	H2 FY22	Full year
Reported revenue – % increase from FY21 to FY22	48.0%	31.1%	37.9%	12.9%	26.5%	19.8%
Impact of disposals	–	–	–	2.0%	–	1.0%
Impact of currency	–	–	–	0.9%	0.2%	0.6%
Impact of additional trading week	–	(4.6%)	(2.7%)	–	(4.2%)	(2.2%)
Pro Forma Revenue Growth FY22	48.0%	26.5%	35.2%	15.8%	22.5%	19.2%

Adjusted EBITDA, Adjusted Operating Profit and Adjusted Operating Margin

Adjusted EBITDA, Adjusted Operating Profit and Adjusted Operating Margin are used by the Group to measure the underlying and ongoing operating performance of the Group.

The Group calculates Adjusted Operating Profit as Operating Profit before amortisation of acquisition-related intangibles and exceptional items. Adjusted EBITDA is calculated as Adjusted Operating Profit plus depreciation and amortisation of intangibles assets. Adjusted Operating Margin is calculated as Adjusted Operating Profit divided by reported revenue.

The following table sets forth a reconciliation from the Group's profit for the financial year to Adjusted Operating Profit, Adjusted EBITDA and Adjusted Operating Margin:

	2023 £m	2022 £m
Profit for the financial year	**35.9**	32.3
Taxation[A]	**9.3**	7.5
Exceptional items	**6.7**	16.5
Net finance costs[B]	**20.8**	12.3
Amortisation of acquisition-related intangibles	**3.6**	3.6
Adjusted Operating Profit	**76.3**	72.2
Depreciation and amortisation[C]	**56.5**	54.7
Adjusted EBITDA	**132.8**	126.9
Adjusted Operating Margin	**4.0%**	4.2%

(A) Includes tax credit on exceptional items of £1.2m (2022: £3.0m).
(B) Finance costs less finance income.
(C) Excludes amortisation of acquisition-related intangibles.

Adjusted Profit Before Tax ('PBT')

Adjusted PBT is used as a measure by the Group to measure overall performance before associated tax charge and other specific items.

The Group calculates Adjusted PBT as profit before taxation, excluding tax on share of profit of associate and before exceptional items, pension finance items, amortisation of acquisition related-intangibles, FX on inter-company and certain external balances, and the movement in the fair value of all derivative financial instruments and related debt adjustments.

The following table sets out the calculation of Adjusted PBT:

	2023 £m	2022 £m
Profit before taxation	**45.2**	39.8
Exceptional items	**6.7**	16.5
Pension finance items	**1.2**	1.1
Amortisation of acquisition-related intangibles	**3.6**	3.6
FX and fair value movements[(A)]	**1.4**	(1.2)
Adjusted Profit Before Tax	**58.1**	59.8

(A) FX effects on inter-company and certain external balances and the movement in the fair value of all derivative financial instruments and related debt adjustments.

Adjusted Basic Earnings per Share ('EPS')

The Group uses Adjusted Earnings and Adjusted EPS as key measures of the overall underlying performance of the Group and returns generated for each share.

Adjusted Earnings is calculated as profit attributable to equity holders (as shown on the Group Income Statement) adjusted to exclude exceptional items (net of tax), the effect of foreign exchange (FX) on inter-company and external balances where hedge accounting is not applied, the movement in the fair value of all derivative financial instruments and related debt adjustments, the amortisation of acquisition-related intangible assets (net of tax) and the interest expense relating to legacy defined benefit pension liabilities (net of tax). Adjusted EPS is calculated by dividing Adjusted Earnings by the weighted average number of Ordinary Shares in issue during the financial year, excluding Ordinary Shares purchased by Greencore and held in trust in respect of the Annual Bonus Plan, Performance Share Plan, Employee Share Incentive Plan and Restricted Share Plan. Adjusted EPS described as an APM here is Adjusted Basic EPS.

The following table sets forth a reconciliation of the Group's profit attributable to equity holders of the Group to its Adjusted Earnings for the financial years indicated:

	2023 £m	2022 £m
Profit attributable to equity holders	**35.9**	32.3
Exceptional items (net of tax)	**5.5**	13.5
FX effect on inter-company and external balances where hedge accounting is not applied	**0.2**	0.7
Movement in fair value of derivative financial instruments and related debt adjustments	**1.2**	(1.9)
Amortisation of acquisition-related intangible assets (net of tax)	**2.7**	2.7
Pension financing (net of tax)	**0.7**	0.8
Adjusted Earnings	**46.2**	48.1

	2023 '000	2022 '000
Weighted average number of Ordinary Shares in issue during the financial year	**495,372**	523,382

	Pence	Pence
Adjusted Basic Earnings per Share	**9.3**	9.2

Alternative Performance Measures continued

Capital expenditure

Maintenance Capital Expenditure

The Group defines Maintenance Capital Expenditure as the expenditure required for the purpose of sustaining the operating capacity and asset base of the Group, and of complying with applicable laws and regulations. It includes continuous improvement projects of less than £1.0m that will generate additional returns for the Group.

Strategic Capital Expenditure

The Group defines Strategic Capital Expenditure as the expenditure required for the purpose of facilitating growth and developing and enhancing relationships with existing and new customers. It includes continuous improvement projects of greater than £1.0m that will generate additional returns for the Group. Strategic Capital Expenditure is generally expansionary expenditure creating additional capacity beyond what is necessary to maintain the Group's current competitive position and enables the Group to service new customers and/or contracts or to enter into new categories and/or new manufacturing competencies.

The following table sets forth the breakdown of the Group's cash outflow for the purchase of property, plant and equipment and purchase of intangible assets between Strategic Capital Expenditure and Maintenance Capital Expenditure:

	2023 £m	2022 £m
Convenience Foods UK and Ireland		
Purchase of property, plant and equipment	**36.0**	48.6
Purchase of intangible assets	**1.4**	1.4
Net cash outflow from capital expenditure	**37.4**	50.0
Strategic Capital Expenditure	**10.8**	33.1
Maintenance Capital Expenditure	**26.6**	16.9
Net cash outflow from capital expenditure	**37.4**	50.0

Free Cash Flow and Free Cash Flow Conversion

The Group uses Free Cash Flow to measure the amount of underlying cash generation and the cash available for distribution and allocation.

The Group calculates the Free Cash Flow as the net cash inflow/outflow from operating and investing activities before Strategic Capital Expenditure, acquisition and disposal of undertakings, disposal of investment property and adjusting for dividends paid to non-controlling interests.

The Group calculates Free Cash Flow Conversion as Free Cash Flow divided by Adjusted EBITDA.

The following table sets forth a reconciliation from the Group's net cash inflow from operating activities and net cash outflow from investing activities to Free Cash Flow and Free Cash Flow Conversion:

	2023 £m	2022 £m
Net cash inflow from operating activities	**99.0**	92.9
Net cash outflow from investing activities	**(31.3)**	(50.0)
Net cash inflow from operating and investing activities	**67.7**	42.9
Strategic Capital Expenditure	**10.8**	33.1
Repayment of lease liabilities	**(15.6)**	(17.3)
Disposal of undertakings	**(6.1)**	–
Free Cash Flow	**56.8**	58.7
Adjusted EBITDA	**132.8**	126.9
Free Cash Flow Conversion	**42.8%**	46.3%

Net Debt and Net Debt excluding lease liabilities

Net Debt is used by the Group to measure overall cash generation of the Group and to identify cash available to reduce borrowings. Net Debt comprises current and non-current borrowings less net cash and cash equivalents.

Net Debt excluding lease liabilities is a measure used by the Group to measure Net Debt excluding the impact of IFRS 16 *Leases*. Net Debt excluding lease liabilities is used for the purpose of calculating leverage under the Group's financing agreements.

The reconciliation of opening to closing Net Debt for the financial year ended 29 September 2023 is as follows:

	At 30 September 2022 £m	Cash flow £m	Translation and non-cash adjustments £m	At 29 September 2023 £m
Cash and cash equivalents and bank overdrafts	**46.7**	**(13.8)**	**(0.1)**	**32.8**
Bank borrowings	**(158.8)**	**20.2**	**(0.4)**	**(139.0)**
Private Placement Notes	**(67.9)**	**15.5**	**4.6**	**(47.8)**
Net Debt excluding lease liabilities	**(180.0)**	**21.9**	**4.1**	**(154.0)**
Lease liabilities	**(48.0)**	**16.8**	**(13.8)**	**(45.0)**
Net Debt	**(228.0)**	**38.7**	**(9.7)**	**(199.0)**

The reconciliation of opening to closing Net Debt for the financial year ended 30 September 2022 is as follows:

	At 24 September 2021 £m	Cash flow £m	Translation and non-cash adjustments £m	At 30 September 2022 £m
Cash and cash equivalents and bank overdrafts	73.6	(26.5)	(0.4)	46.7
Bank borrowings	(150.1)	(9.6)	0.9	(158.8)
Private Placement Notes	(106.6)	47.3	(8.6)	(67.9)
Net Debt excluding lease liabilities	(183.1)	11.2	(8.1)	(180.0)
Lease liabilities	(59.6)	18.5	(6.9)	(48.0)
Net Debt	(242.7)	29.7	(15.0)	(228.0)

Return on Invested Capital ('ROIC')

The Group uses ROIC as a key measure to determine returns for the Group and as a key measure to determine potential new investments.

The Group uses invested capital as a basis for this calculation as it reflects the tangible and intangible assets the Group has added through its capital investment programme, the intangible assets the Group has added through acquisition, as well as the working capital requirements of the business. Invested capital is calculated as net assets (total assets less total liabilities) excluding Net Debt, the carrying value of derivatives not designated as fair value hedges, and retirement benefit obligations (net of deferred tax assets). Average invested capital is calculated by adding the invested capital from the opening and closing Statement of Financial Position and dividing by two.

The Group calculates ROIC as Net Adjusted Operating Profit After Tax ('NOPAT') divided by average invested capital. NOPAT is calculated as Adjusted Operating Profit plus share of profit of associates before tax, less tax at the effective rate in the Group Income Statement.

The following table sets forth the calculation of NOPAT and invested capital used in the calculation of ROIC for the financial years:

	2023 £m	2022 £m
Adjusted Operating Profit	**76.3**	72.2
Taxation at the effective tax rate[A]	**(16.0)**	(13.7)
Group NOPAT	**60.3**	58.5

	2023 £m	2022 £m
Invested capital		
Total assets	**1,297.7**	1,338.7
Total liabilities	**(837.9)**	(873.1)
Net Debt	**199.0**	228.0
Derivatives not designated as fair value hedges	**(4.6)**	(14.8)
Retirement benefit obligation (net of deferred tax asset)	**12.8**	10.4
Invested capital for the Group	**667.0**	689.2
Average invested capital for ROIC calculation for Group[B]	**678.1**	695.0
ROIC for the Group	**8.9%**	8.4%

(A) The effective tax rates for the Group for the financial year ended 29 September 2023 and 30 September 2022 were 21% and 19%, respectively.
(B) The invested capital for the Group was £700.8m in 2021.

Other information

Greencore Group plc (the 'Group', the 'Company' or 'Greencore') is an Irish incorporated company registered under number 170116. Its Ordinary Shares are quoted on the London Stock Exchange (Symbol: GNC). Greencore has a Level 1 American Depositary Receipts programme (Symbol: GNCGY).

Financial calendar

Annual General Meeting	25 January 2024
FY24 H1 Results	21 May 2024
FY24 financial year end	27 September 2024
FY24 Full Year Results	28 November 2024

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Notes

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