

Section 172 Statement for the year ended 31 July 2020

This statement describes how the Board of Directors of the Company have taken account of the matters set out in section 172(1) (a) to (f) of the Companies Act 2006, when performing their duty to promote the success of the Company.

The Board seeks to deliver long term success for all by working together and building relationships with all stakeholders that share our culture, our values and long term goals and objectives. The Company's stakeholder engagement activities help to inform the Board in its decisions, by ensuring the Directors are aware of stakeholders' interests. The Board takes a long-term view in reaching key decisions, and looks to act in the interests of stakeholders as a whole and to ensure all are fairly treated.

Specific steps taken to address the matters set out in sections (a) to (f) are outlined below.

(a) The likely consequences of any decision in the long-term:

The Board is responsible for establishing the good governance, strategic direction and long term vision of the Company and ensuring these goals are communicated and aligned across the entire business. In setting the strategic direction and long term vision of the Company, the Board has regard for the key stakeholders as outlined in this statement.

The Board meets regularly, on at least a quarterly basis. It considers the current performance on all aspects of the business including matters around market developments, human resource requirements, major capital expenditure projects, potential acquisition opportunities and future funding requirements to support the business's long term growth and sustainability.

(b) The interests of the company's employees:

The Board places the health, safety and wellbeing of employees at the forefront of our approach and encourages significant employee engagement in this process. The group, of which the Company is a member, has developed and committed to various divisional level Health & Wellbeing Strategies. Health, safety and wellbeing is a key item on the agenda for Divisional Board and Senior Management meetings and regular surveys are carried out, with a summary of key issues identified.

The Company's strategy is to attract, retain, develop and promote the best people for the job. The Company aims to engage and develop all employees to reach their potential, without any form of discrimination. Regular appraisals are carried out with employees by their line managers. A wide range of training and development opportunities are made available to employees. In addition, a Head of Talent has been appointed by the Board of directors of the Company's ultimate parent undertaking to facilitate Senior Management and Board succession planning and employee development across the wider Group.

Presentations are given to employees on the performance of divisions/business across the Group on an annual basis. Ongoing employee communication is conducted via various bulletin boards, newsletters, intranet sites and social media channels.

(c) The need to foster the company's business relationships with clients, end customers, suppliers and regulators:

The Company is committed to developing strong customer and supplier business relationships. Key relationships are multi-layered with multiple contact points, including senior management involvement. A variety of surveys and site visits are regularly conducted, alongside attendance at/or hosting of trade conferences to enhance business relationships. Feedback from these initiatives help to inform the Board's long-term divisional strategies and plans.

The Company is committed to the principles of openness and transparency in its approach to dealing with regulators and seeks to operate in a collaborative manner in all instances. The Company regularly engages in consultations with regulatory bodies, either on a standalone basis or through appropriate industry bodies and third party advisors.

(d) The impact of the company’s operations on the community and the environment:

The Group, of which the Company is a member, provides ongoing support to a number of local, national and international charitable organisations. The Group, of which the Company is a member, operates a number of initiatives to support and encourage the fundraising and volunteer efforts of all employees.

The Group, of which the Company is a member, is committed to minimizing any negative impact on the environment. Examples of Group initiatives include:

- Recycling of waste generated from the manufacturing process in our packaging division;
- Research and development on the development of new animal feed products that reduce ammonia emissions, water consumption and slurry output;
- Prosperity Agreements with the Environmental Agency Northern Ireland to reduce CO2 emissions, recycling waste and water usage; and
- Continued growth in the quantity of sustainable and organic products supplied.

(e) The desirability of the company maintaining a reputation for high standards of business conduct:

The Board requires all Directors and senior management to maintain the highest standards of conduct whether dealing with employees, customers, suppliers or other stakeholders. Staff handbooks are distributed to employees, which outline the specific standards of conduct all employees are expected to meet.

The Group, of which the Company is a member, is committed to acting ethically in all of its operational matters. The Group has policies in place to ensure there is no modern slavery or human trafficking in our supply chain, or in any part of our business. Policies are in place across the Group to ensure compliance with General Data Protection Regulations (‘GDPR’). Furthermore, anti-bribery and corruption policies are in place and are communicated to all employees.

Whistleblowing policies are in place to facilitate reporting of any concerns employees may have surrounding business conduct.

(f) The need to act fairly between members of the company:

As a privately owned Group, with a relatively small group of family shareholders, the Board has a keen interest in understanding ultimate shareholder views and objectives and in reflecting those in its long-term strategic plans.

Shareholder engagement is promoted both by the Group Chairman and Group Chief Executive, with feedback and analysis communicated through Board reporting packs, supplementary information provided through specific correspondence and interactive dialogue welcomed through the Annual General Meeting.

The Group Board includes two Non-Executive Directors to promote high levels of governance standards. Regular meetings are held between Divisional Boards and their joint venture partners and minority shareholders where relevant. These meetings cover both review of current business performance and future strategic direction.