

Green Label Holdings Limited

Directors' report *(continued)*

Year ended 28 February 2021

Section 172

This section serves as our section 172 statement and should be read in conjunction with the Strategic report on pages 2 to 3. Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders in their decision making. The Directors continue to have regard to the interests of the company's and group's employees and other stakeholders, including the impact of its activities on the community, the environment and the group's reputation, when making decisions. Acting in in good faith and fairly between members, the Directors consider what is most likely to promote the success of the company and group for its members in the long term. Whilst the importance of giving due consideration to our stakeholders is not new, we are explaining in more detail this year how the Board engages with our stakeholders, thus complying with the requirement to include a statement setting out how our Directors have discharged this duty.

In this context we note the following:

- The Directors are fully aware of their responsibilities to promote the success of the company and group in accordance with section 172 of the Companies Act 2006. The Board regularly reflects on how the company and group engages with its stakeholders and opportunities for enhancement in the future.
- The Board regularly reviews our principal stakeholders and how we engage with them. The stakeholder voice is brought into the boardroom through information provided by management and also by direct engagement with stakeholders themselves. Such stakeholders include shareholders, employees, customers and the wider community in which the group operates. The relevance of each stakeholder group may increase or decrease depending on the matter or issue in question, so the Board seeks to consider the needs and priorities of each stakeholder group during its discussions and as part of its decision making.
- The Board continues to enhance its methods of engagement with the workforce, notwithstanding the challenges of the ongoing COVID-19 pandemic.
- We aim to work responsibly with our suppliers. The importance of supplier relationships is also recognised, as evidenced by paying suppliers to agreed terms.
- The company and group recognises that it is important for the healthy development of the community in which it operates to participate in this way.

The fundamental overriding principles in the governance of the company and group is that of ensuring transparent conduct which reflects fairness in all dealings with the shareholder, employees, customers and suppliers.

Streamlined Energy and Carbon Reporting

In line with the Greenhouse Gas Protocol (GHG) Corporate Accounting and Reporting Standard, the group has been engaged in a process aimed at reducing our energy and greenhouse gas emissions. The group and its directors are fully committed to preventing pollution, and making continual improvements to minimise our effect on the environment. The group continues the requirement for replacement, repairs and parts to be more energy efficient. This includes the replacement of factory services such as pumps, cooling systems, and fixed lighting

Unavoidably, the group recognises that its business activities interact with the environment in a variety of ways including via the use of energy, generation of waste, noise and raw materials. The group recognises its responsibility to help protect the environment, be a responsible neighbour and provide a comfortable environment for its employees.

The group is committed to:

- Continual improvement in the environmental impact of its business activities.
- Complying with all relevant legal, customer, and other third-party requirements.
- Adopting best practices applicable to its activities wherever possible.

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Directors' report *(continued)*

Year ended 28 February 2021

The group will achieve these commitments by:

- The continued compliance with our management system under ISO14001:2015.
- Protecting the environment and preventing pollution.
- Maintaining an environmental performance improvement programme.

The group is currently engaging a third party specialist to carry out a carbon footprint study, this will highlight areas for the business to focus on with the strong aim to reduce the group's carbon footprint further wherever possible. The group is continually focused on the reduction in use of gas and electricity which accounts for the majority of emissions. The group aims to achieve this by embedding carbon management in all activities.

The emissions of the group in the year ended 28 February 2021 are summarised as below. In presenting this information we note that we have reported all of emission sources under the Companies Act 2006 (Strategic Report and Director's Reports) Regulations 2013 as required. We have calculated and reported our emissions in line with the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2019 and 2020.

Our calculated carbon footprint for our current financial year is 13,140 tCO₂e, whilst energy consumption was 51,337,774 (51,338 MWH) (comparative information is not a requirement for the current year).

Year ended 28 February 2021

Scope 1: direct emissions -	4,737.5 tonnes CO ₂ equivalent (tCO ₂ e)
Scope 2: energy indirect emissions -	8,402.7 tonnes CO ₂ equivalent (tCO ₂ e)
Scope 3: other indirect emissions -	0.1 tonnes CO ₂ equivalent (tCO ₂ e)

- Scope 1 includes emissions from activities owned or controlled by the group that release emissions into the atmosphere. Examples include emissions from combustion in owned or controlled boilers and vehicles.
- Scope 2 includes emissions from own consumption of purchased electricity, heat, steam and cooling. These are a consequence of the group's activities but are from sources not owned/controlled.
- Scope 3 includes emissions that are as a consequence of the company's actions, but the source is not owned or controlled, and which are not classed as scope 2 emissions, for example business travel in private cars

Carbon intensity measure: 0.331 - tCO₂e/tonne of slaughtered birds.

The intensity metric is based of birds slaughtered in the year ended 28 February 2021.

Disclosure of information in the strategic report

The group has taken advantage of the exemptions available in section 414C(11) of the Companies Act 2006 with regards to the disclosure of certain information in the directors report. Such information is now included in the strategic report starting on page 2 which contains appropriate detailed information of the review of the business during the year and the principal risks and uncertainties affecting the group and its business.