

Premier Foods plc
AGM – 12 August 2020
Shareholder Q & A

AGM process

How do I vote my shares in advance of the AGM?

Please submit your vote electronically or by post as soon as possible, by logging on to www.sharevote.co.uk (to use this service you will need your Voting ID, Task ID and Shareholder Reference Number printed on the accompanying form of proxy). This must be received by no later than 11.00 am on Monday 10 August 2020. If you wish to appoint a proxy, you are recommended to appoint the Chairman of the meeting as your proxy, as the Board has concluded that shareholders or their proxies cannot be permitted to attend the AGM in person this year. This is in light of the UK Government's current guidance on public gatherings, and the new regulations set out in Schedule 14 of the Corporate Insolvency and Governance Act.

How do I submit a question for the AGM?

You can submit questions in advance of the meeting via email at investor.relations@premierfoods.co.uk by no later than 11.00 am on Monday 10 August 2020. We will endeavour to answer questions received in advance, by publishing responses on thematic topics on our website either prior to, or shortly after, the AGM.

Business matters

Has the strategic review been concluded?

On 20 April 2020, we announced the conclusion of the Strategic Review with a landmark pension agreement that ensures a more secure and certain future for all pension scheme members and provides a mechanism which could vastly improve the funding position of these schemes. The segregated merger brings together RHM, Premier Foods, and Premier Grocery Products pensions under one trust.

Now that debt has been reduced will you be able to resume dividend payments?

The progress we have made this year with the pensions agreement and reducing our net debt/EBITDA ratio, opens up a range of options for the Board to consider which should deliver future value for shareholders.

How is COVID-19 affecting the business?

During the outbreak of COVID-19, the Group's first priority is the health and wellbeing of its colleagues, customers and other stakeholders. The Group also takes its responsibility as a major UK food manufacturer very seriously and is working closely with its customers to ensure maximum availability of its product ranges for consumers. During this challenging time, the Company's manufacturing and distribution operations are working at maximum capacity and coping well with this recent elevated level of demand, and customer service levels continue to be high.

As announced on 29 July 2020, we continued to see strong demand for our Grocery brands in Q1, with consumers eating the vast majority of their meals at home. We have grown faster than our categories during this period, both in standard retail and online channels. This reflects not only the strength of our market leading brands but also the excellent performance of our colleagues across the supply chain to ensure product availability while working in close collaboration with our customers to meet this elevated demand.

Q2 sales have started strongly, however the Group anticipates this trend to normalise through the quarter as consumers gradually return to eating out of home. Looking to the full year, the Group expects to make further progress as it continues to employ its successful branded growth model strategy, which has been instrumental in delivering twelve successive quarters of UK revenue growth. Recently upgraded expectations for FY20/21 are unchanged, which includes anticipated further Net debt reduction this year.

What are you doing to address the performance for the International business?

We believe there is a clear opportunity for the brands to grow internationally. Having reviewed the International strategy, we are adopting a new and different approach going forward to deliver a sustainable profitable business as we have successfully done with the UK.

What will be the impact of Brexit on the business?

The UK's withdrawal from the EU has the potential to significantly change the terms of trade which currently exist between the EU and the United Kingdom. The Group will continue to monitor the ongoing political situation and upcoming trade negotiations. While the outcome of these talks is difficult to predict, the Group has considered a number of different scenarios and appropriate mitigation plans have been developed. Our fundamental objective is to ensure that we offer continuity of service and supply to our customers, wherever they are.

ESG (environmental, social and governance) matters

Do you have plans to improve the ethnic and gender diversity within senior management and the workforce more broadly?

The Board is committed to creating an inclusive and diverse culture across the whole organisation and details of our approach to diversity and inclusion are set out in the Responsibility section of our annual report which can be accessed [here](#). This outlines:

- The Group's commitment to developing an inclusive culture across the business;
- An equality policy statement, approved by the Board in 2017;
- The activities of the diversity working group, which monitors progress against key areas of this statement and reports annually to the Board; and
- The company-wide Diversity and Inclusion programme in 2019.

In addition, a senior member of HR team has recently been appointed Director of Culture and Talent, in which D&I forms a significant part of her new role. We brief both our internal and external recruitment teams on the importance of presenting balanced shortlists with regard to all aspects of diversity (albeit we do not operate a quota system and appoint on merit). This covers both Board appointments and recruitment at all levels within the Group.

In light of the increasing focus on health and nutrition, what steps are you taking to allow consumers to make healthier choices?

To encourage our consumers to make healthier choices, we believe it is important to empower them with knowledge and a variety of healthier options. To this end, we innovate to offer alternative 'better-for-you' and healthier options to their pantry favourites, as well as enhancing the nutritional profiles of our existing core range. As a result, 80% of our core ranges now offer a 'better-for-you' version. In addition, all of our products are provided with clear nutrition labelling on our packaging to help our consumers make informed choices. Our innovative R&D team, working closely with our Nutrition team, have continued to develop 'better-for-you' products to encourage our consumers to make healthier choices.

Working with Government and Public Health England (PHE), we are committed to enhancing the nutrition profile of our core range, including reducing the sugar or salt content. We have already reformulated many of our products to lower their sugar content, particularly in our cake and dessert categories, including a circa 10% sugar reduction in our core Mr Kipling Deep Filled Mince and Apple Pies, without compromising on taste. We also achieved a 30% sugar reduction in our Ambrosia light custard and light rice pudding recipes across all formats. We are very proud that in total we have now removed 1,042 tonnes of sugar (against our 2015 baseline), exceeding our commitment to remove 1,000 tonnes across our dessert and cake categories.

How are you reducing the use of plastic packaging?

Our products are packaged in a way that balances the need to ensure food safety, preserve freshness and taste, prevent food waste, provide convenience, and share important information with consumers. We continue to work hard to optimise our packaging and to reduce its environmental impact; using materials from certified sustainable sources wherever possible, increasing our use of recycled materials, and increasing the recyclability of our packaging.

Our packaging portfolio is made up of a variety of materials like glass, cardboard and plastic to ensure that our products are kept fresh and arrive safely with consumers. Plastic currently represents just 12% of our packaging portfolio and we are adopting a recycle, reduce and remove strategy to make further improvements. To date, we have achieved 81% recyclability of our plastic packaging, which is an increase from 69% in the last 12 months.