

As required by the Companies (Miscellaneous Reporting) Regulations 2018 Blue Earth Foods Limited (the company) is required to publish its section 172(1) statement for each financial year end. The 172(1) statement for the company for the period ended 31 December 2019 is set out below.

Section 172(1) statement

The directors report here on how they have discharged their duties under section 172 of the Companies Act 2006. These duties require a director of a company to act in a way that they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so must have regard (amongst other matters) to:

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

The directors continue to have regard to the interests of the company's employees and other stakeholders, including the impact of its activities on the community, the environment and the company's reputation, when making decisions. Acting in good faith and fairly between members, the directors consider what is most likely to promote the success of the company for its members in the long term.

To ensure the company operates in line with good corporate practice, all directors receive regular guidance on the scope and application of section 172 from the company's General Counsel. The Board has also overseen the implementation of measures to ensure that stakeholder interests are always taken into account. The General Counsel ensures that for each matter which comes before the Board, stakeholders who may be affected are identified and their interests are carefully considered as part of the Board's decision-making process. As required, the General Counsel will continue to provide support to the Board to help ensure that sufficient consideration is given to stakeholder issues. Where appropriate the Board also, from time to time, engage outside advisors or other experts as it deems necessary or appropriate to assist them in carrying out their responsibilities.

Whilst the importance of giving due consideration to the company's stakeholders is not new, the directors explain below how the Board discharges this duty.

Culture

The company's commitment to ethics and integrity is the foundation of its business and drives everything it does. Relationships are built with stakeholders in the business based on openness and continuing dialogue. The company's culture is shaped by the four core values of Quality, Teamwork, Passion and Honesty which help to ensure that it does the right thing across all areas of its business.

Customers

Meeting the needs of customers is key for the continuing success of the company. Focusing on the customer has always been and will always be one of the company's highest priorities. Dedicated account managers work closely with customers and provide regular business and product updates. The company interacts with its customers throughout their organisation, from Board level to operational and functional teams. Ongoing functional dialogues through customer teams ensure that the end to end supply chain is managed effectively and efficiently. In addition, the company reviews its performance with each customer through key KPI's to identify improvements and new opportunities.

Employees

Employee engagement is a major focus and the company continues to communicate the progress of the business and its strategies using digital communications (via its dedicated employee App), regular face to face meetings and its "Bringing Everyone Forward" employee forum. Each of these promote

two-way communication providing the opportunity for employees to give input, feedback and get answers to questions on issues which impact them.

The employee forum enables the Board to capture the views of employees on proposals and issues which affect them and help the Board to address them. The forum promotes a culture of collaboration and support and is a key driver to the ongoing success of the business.

Directors also have access to other members of the company's management, and will invite other executives and employees to participate in, or provide information for use at board meetings giving the directors valuable insight into issues to be decided by the Board.

Suppliers

Suppliers play a key role in the businesses' commitment to excellence. An important part of the company's culture is the promotion of high legal, ethical, environmental and employee related standards within the business and its suppliers. These standards extend to its global supply base who are expected to operate to a similar high standard. The Board reviews the actions taken to prevent modern slavery and associated practices in any part of its supply chain and approves the company's Modern Slavery Act statement each year.

Shareholders

As a wholly owned subsidiary where the ultimate parent is Seafresh Group (Holdings) Limited, the Board informs and consults with the CEO of the company's parent company on a regular basis and regarding all major strategic decisions.

Wider community

The company supports a range of charities both local and national. The focus is on employees driving initiatives and supporting causes close to their hearts. Fundraising is often participative through cake sales, coffee mornings, Christmas jumper day, donut day and wear it pink day. In the past year the company has supported Breast Cancer, Save the Children, Macmillan and individual local children who require medical support. In all cases the company has matched money raised by its employees. In addition, the business continues to support Grocery Aid, recognising the importance of this industry charity to our workforce.