



Greggs plc Annual Report and Accounts 2024



DECADES  
FILLED  
WITH  
FLAVOUR

WELCOME

Through the hard work of the entire Greggs team, we delivered another year of strong growth in 2024. We exceeded £2 billion in turnover for the first time, opened our 2,600th shop, and laid the foundations for yet more growth by securing the space we need to expand our manufacturing and logistics operations.

It has been a huge team effort. Our 33,000 colleagues across the UK have pulled out all the stops to ensure that the growth strategy we set out in 2021 is being delivered brilliantly. As well as increasing and developing our estate, we continue to build the Greggs brand, open more shops in the evenings, extend our home delivery offer, and reward more loyal customers through our increasingly popular App.

We may be growing fast, but we are growing responsibly too. We remain on track to become a net zero business by 2040 and have reduced the carbon intensity of our operations by 41.8% since 2019. We continue to strive to be the best employer we can be, and to focus on delivering all of our Greggs Pledge commitments.

Despite the challenges facing the broader economy, I am optimistic about the year ahead and confident that our bold growth strategy is right, and that our team is very capable of delivering it.

Roisin Currie

Roisin Currie  
Chief Executive, 4 March 2025

FINANCIAL HIGHLIGHTS\*

TOTAL SALES

£2,014m

2023: £1,810m

DILUTED EARNINGS PER SHARE\*\*

137.5p

2023: 123.8p

LIKE-FOR-LIKE (LFL) SALES\*\*\*

5.5%

PRE-TAX PROFIT\*\*

£189.8m

2023: £167.7m

COLLEAGUE PROFIT-SHARING

£20.5m

2023: £17.6m

TOTAL ORDINARY DIVIDEND

69.0p

2023: 62.0p

Find out more about our financial performance on pages 59 to 63

\* Detailed calculations of alternative performance measures, not otherwise shown in the Accounts and related Notes, are shown on pages 172 and 173.

\*\* Excluding exceptional items.

\*\*\* Year-on-year growth in like-for-like sales in company-managed shops (excluding franchises) with more than one calendar year's trading history.

CELEBRATING  
MILESTONES

## NON-FINANCIAL HIGHLIGHTS


**30+%**

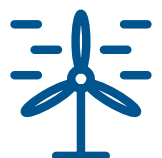
of our range is 'Healthier Choice'


**1,000+**
**Breakfast Clubs**

feeding 75,000 children, every school day across the UK


**700+**

shops feature Eco-Shop elements – 27% of our estate


**100% of electricity**

we purchase comes from certified renewable sources

Find out more about The Greggs Pledge on pages 46 to 49

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 You can also read our Annual Report online at [corporate.greggs.co.uk/investors](https://corporate.greggs.co.uk/investors)


# 40

**YEARS OF  
CONTINUED  
GROWTH**

**It's been 40 years since Greggs floated on the London Stock Exchange.**

**In 1984, the business had just over 260 shops and a market capitalisation of £15 million. In 2024, turnover exceeded £2 billion and we opened our 2,600th shop. This is testament to the hard work and dedication of our colleagues, who have been central to our journey over the years.**



1987

## THE GREGGS FOUNDATION IS LAUNCHED

After receiving hundreds of requests for support each week, Ian Gregg established The Greggs Foundation, initially known as The Greggs Trust, to support local people facing hardship – formalising our commitment to the community, which we continue today.



1994

## Greggs opens 500th shop

We opened our first shop on Gosforth High Street in 1951. Over the next four decades, we acquired and built shops and bakeries across the UK, and reached the milestone of 500 shops in the Greggs estate in 1994.



1999

## The Greggs Foundation's Breakfast Club programme is born

The first Greggs Foundation Breakfast Club was established after a Business in the Community event, when we saw the difference a nutritious start to the school day makes to children.

2014

## Greggs App launches

The first Greggs App launched to reward customer loyalty with stamps for coffee purchases. The App has evolved over time to reward across all purchases giving customers even better value. Our App continues to be a key way to engage with our customers and the number of users has increased every year since.



2020

## INTRODUCTION OF HOME DELIVERY

As part of our commitment to serve our customers wherever, whenever and however they choose, we partnered with Just Eat to offer the convenience and flexibility of delivery.



2017

## FIRST GREGGS DRIVE-THRU



We knew our customers loved Greggs on-the-go, so we decided to make it even more convenient for them when travelling by car and opened our first drive-thru Greggs in Irlam, Manchester. There are now 45 Greggs drive-thrus across the UK. We focus on opening them on main arterial routes with significant traffic volumes to make the most of their multi-channel capabilities.

2019

## Vegan sausage roll serves up a cultural moment

As the Vegan Sausage Roll hit the shelves, it got everyone talking and encouraged brand reappraisal. Since then, we have become known for our vegan-friendly range, providing our customers with delicious, quality options – all at fantastic value.



2020

## Supermarket partnership

In 2020, as we focused on expanding into locations our customers could easily access via car, we trialled Greggs concessions inside Asda and Tesco. The success of these shops led to us opening a further nine shops with Tesco in 2022. As Greggs in supermarkets took off, we are now partnered with Tesco, Asda and Sainsburys, and have 54 shops with a pipeline to open more in 2025.

2020

## Arrival of Click + Collect

We created a new way for our customers to shop with us. Click + Collect was rolled out across our entire estate, allowing customers to skip the queue and save time, grabbing their favourite products exactly when they needed them.

2021

## Launch of The Greggs Pledge

We launched The Greggs Pledge, setting out ten bold commitments to help make the world a better place.



2023

## Growing home delivery

Uber Eats became our second partner for home delivery, extending this option to even more customers and cementing our position as a multi-channel retailer.

2023

## 500th franchise shop opens

Our franchise partners are a critical part of our expansion plans, helping us target on-the-go locations reached by car. Franchise shops account for 20% of the total estate.



FEBRUARY - 2024

## Made-to-order range expands

We expanded our made-to-order hot food range of Chicken Burgers and Wraps with the addition of the British classic, the fish finger. Our customisable Fish Finger Sandwich and Fish Finger Wrap are popular throughout the day, offering flexibility for customers, and available as part of a deal with a drink and wedges. Made-to-order hot food is now available in 140 shops, and we plan to bring more exciting options to more customers in the year ahead.

MARCH - 2024

## Over-ice drinks range roll-out

Having proven highly popular during trials in 2023, we started rolling out our new over-ice drinks range across the estate. We continued to develop the range throughout the year, offering exciting seasonal options like our summery Mango and Strawberry Cooler and the Iced Pumpkin Spice Latte. We worked hard to meet customer demand and, following a rapid roll-out of equipment, our over-ice drinks range is now available in 1,175 shops, exceeding our previous target to make this available in 700 shops by the end of 2024. We will extend this popular range to more shops this year.



OVER-ICE DRINKS RANGE NOW AVAILABLE IN

# 1,175

shops

MARCH - 2024

## GREGGS ANNOUNCES NEW NATIONAL MANUFACTURING AND DISTRIBUTION CENTRE IN DERBY



We announced our new site in Derby, which will provide additional manufacturing for frozen products and enable frozen storage, picking and distribution, which is key to our long-term growth.



JULY - 2024

## Greggs announces new National Distribution Centre in Kettering

Following on from our news in Derby, we announced our second new Midlands site in Kettering. This new National Distribution Centre will be focused on the storage, picking and distribution of ambient and chilled goods. As picking moves upstream to our new National Distribution Centres, it unlocks capacity in our Radial Distribution Centres to service more shops, allowing for our continued growth.

JULY - 2024

## We celebrate 40 years as a listed company

We proudly celebrated our 40th anniversary as a publicly listed company on the London Stock Exchange. The business was then a traditional, decentralised bakery business with a mostly northern footprint. Today, we have grown into a leading food-on-the-go retailer with more than 2,600 shops across the UK and 33,000 employees.



**OCTOBER – 2024****We celebrate 1,000 Breakfast Clubs**

In October, we celebrated alongside The Greggs Foundation, and their other partners as the 1,000th Greggs Foundation Breakfast Club opened its doors. Twenty five years after the scheme was established, we are as committed as ever to building stronger, healthier communities and are proud to support more than 75,000 children every school day.

A huge thank you to our colleagues, customers and partners who have helped to support our Breakfast Clubs across two appeal weeks and with in-shop donations, raising over £482,000 in 2024 alone.

**NOVEMBER – 2024****2,600th shop opens**

Our shop development programme continued at pace, and alongside refits and relocations, there have been plenty of exciting openings including 11 shops inside large supermarkets and 11 standalone drive-thrus. With the support of our franchise partners, we reached another huge milestone as our 2,600th shop opened, making us more convenient than ever for our customers.

**NOVEMBER – 2024****Festive menu returns**

This year, we called in an icon to help us announce the return of another icon. To the surprise and delight of our customers, Nigella Lawson helped announce the return of the 'rapturous riot of flavour' that is our Festive Bake. We had a few more surprises in store this festive period as we once again partnered with Fenwick, this time launching our exclusive Greggs Champagne Bar. To round out the year, we created the perfect stocking filler, the limited-edition Greggs Top Trumps. We truly had something for everyone this festive period, highlighting the creativity and joy that our brand champions.

**NOVEMBER – 2024****£1 million raised for BBC Children in Need**

We are proud to have partnered with BBC Children in Need for 18 years and we once again kicked off November with Pudsey power. A huge thank you to our colleagues and customers as they came together to help us raise over £1 million for BBC Children in Need – supporting the lives of young people across the UK. From wacky and wonderful fundraising activities and generous donations, to customers enjoying our Pudsey products, the support this appeal receives each year is truly phenomenal.

**DECEMBER – 2024****GREGGS HITS £2 BILLION SALES MILESTONE**

We ended 2024 on a high as we hit the £2 billion sales milestone. This achievement takes us closer to our target of doubling our sales over five years, and shows the strength of the brand and the popularity of the offering we provide to our customers.

# A YEAR FULL OF JOY

AT A GLANCE

# BETTER BUSINESS FOR EVERYONE

With ownership of our supply chain, multiple service channels for our customers and more than 2,600 shops across the UK, we are in a unique position to make great tasting, freshly prepared food accessible to everyone. Our teams across the business are dedicated to providing our customers with great tasting food-on-the-go and the best experience, day in, day out.

## Our purpose

**TO MAKE GREAT TASTING, FRESHLY PREPARED FOOD ACCESSIBLE TO EVERYONE**

## Our vision

**TO BE THE CUSTOMERS' FAVOURITE FOR FOOD-ON-THE-GO**



## WHAT WE DO

We are a modern food-on-the-go retailer, providing a wide menu of food and drink choices wherever and whenever our customers need us throughout the day.

### MANUFACTURING

In our own food manufacturing centres of excellence, we make great tasting, freshly prepared food that our customers can trust.

### LOGISTICS

We move products from our food manufacturing sites to our shops ourselves, which helps us to keep our prices as low as possible.

### OUR PEOPLE

We have 33,000 amazing colleagues, working together to provide our customers with the best experience, offering fast and friendly service, day in, day out.

### CUSTOMER CHANNELS

With more than 2,600 shops, including 561 with franchise partners, our wholesale partnership, delivery service and Click + Collect, we are available to serve customers wherever, whenever and however they choose.

### CUSTOMER RELATIONSHIPS

Through our Greggs App, we are building long-term connections with our customers and rewarding their loyalty. Our Customer Relationship Management (CRM) systems allow us to talk to our customers on a one-to-one basis and serve them personalised communication, with exclusive offers and benefits for being an opted-in App customer.

## HOW WE CREATE VALUE FOR OUR STAKEHOLDERS

### Rewarding our colleagues

We know that our people are our most valuable asset, so we make sure that our colleagues are paid fairly, treated well, and given the training and opportunities they deserve. We believe all of our people should share in our success. Every year, 10% of our profits are shared among our colleagues.

Read more about our people and culture on pages 40 to 45

### Giving back to the communities we serve

Greggs has a proud reputation of giving back and we are committed to doing the right thing to help build stronger, healthier communities and to lead positive change. We donate to a wide range of charitable causes, and every year, we give at least 1% of profits to our corporate charity, The Greggs Foundation. Our donation, along with support from our customers, colleagues and partners, enabled the charity to distribute £5.45 million in 2024 to schools and charitable organisations in the UK.

Read more about The Greggs Pledge on pages 47 to 49

### Creating sustainable value for our shareholders

We always strive to be a good corporate citizen and to treat everyone – our colleagues, customers, suppliers, partners and shareholders – with fairness, consideration and respect.

As well as supporting our communities by providing thousands of fairly paid jobs and supporting a number of charitable causes, we are redoubling our efforts to make Greggs a great place to work. We want to be an inclusive employer that our colleagues recommend to their friends.

We always set high standards for what we purchase, with the aim of making things better in our supply chain and working collaboratively with our suppliers, so they raise their game too.

Read more about our business model on pages 12 and 13

#### COLLEAGUE PROFIT-SHARING

# £20.5m

2023: £17.6m

#### DONATED TO THE GREGGS FOUNDATION

# £3.1m

2023: £2.6m

#### TOTAL ORDINARY DIVIDEND

# 69.0p

2023: 62.0p



# CONTINUED STRONG TRACK RECORD



I'm delighted with the further progress that Greggs has made in 2024. The whole team has demonstrated its ability to execute on our strategic plan, responding to market conditions whilst continuing to deliver another year of progress and attractive returns. We are excited by the opportunity ahead and investing to realise that potential. In doing so we remain true to the responsible, long-term approach that has served this business and its stakeholders well for many years.

**Matt Davies**  
Chair

## Overview

Greggs delivered another strong performance in 2024, making further progress against our strategic plan and delivering an excellent financial outcome in more challenging market conditions. The long-term growth opportunity ahead is clear and we are making good progress as we develop capacity in our supply chain to support further expansion in the years ahead.

The Board's agenda for the year reflected the Company's ambitious growth plans. We continued to review the health of the brand and management's initiatives to develop the food and drink offer and improve access to Greggs across multiple channels. The Board scrutinised the investment plans that support these objectives, ensuring that the business is making good returns on the expansion of its shop estate into areas where Greggs has not traditionally been accessible. This gives us confidence as we lay down capacity for the next phase of expansion.

High standards of governance have long been associated with Greggs, and we work hard to ensure that these are maintained as the operating environment changes. During the year the Board received updates on key risk areas and put a particular focus on processes for allergen management, given the material risk associated with this.

The business remains in a strong financial position and in 2024 the Board oversaw the refinancing of its revolving credit facility, as well as supporting the defined benefit pension scheme Trustee to de-risk the Company's legacy pension scheme through the purchase of an insurance policy which matches the majority of the scheme's liabilities.

Greggs has always aimed to carry out its business in a responsible manner and our pursuit of the targets that make up The Greggs Pledge has really pushed us forward on this agenda. As we enter the final year of our current Pledge targets, great progress has been made in making Greggs an even more sustainable business and we are now refreshing the priorities for the next phase of this journey. In supporting the communities in which Greggs operates



## Our colleagues across the business are remarkable people, and critical to the reputation that Greggs has for fast and friendly service."

we often partner with The Greggs Foundation (the 'Foundation'), the independent charity set up by Ian Gregg almost 40 years ago. The Foundation makes a significant and positive impact on those who need its help and I would like to thank our colleagues, customers and partners for their support with this important work.

### Our people and values

Our colleagues across the business are remarkable people, and critical to the reputation that Greggs has for fast and friendly service. The Board takes time to stay close to them in order to get first-hand feedback on what's working and what could be done better. It's a credit to the open culture of the business that they do not hold back in offering their views and I want to thank them for this and for their continued dedication.

This 'listening' activity involves Directors visiting shops, supply sites and support teams, as well as attendance at forums that help us to hear the impact of our plans on colleagues. This makes the Board better equipped to question and support management and to make informed decisions.

### The Board

On 1 June 2024 we welcomed Tamara Rogers as an additional Non-Executive Director. Tamara is the Global Chief Marketing Officer of Haleon plc, the FTSE 100 listed world-leading consumer healthcare company, and has over 30 years' experience across a range of commercial and marketing roles. She brings a wealth of experience across marketing, customer insight and digital commerce.

The Board engaged in an externally-facilitated review in the year. This comprehensive review process included the facilitator's attendance at meetings, including all of our Committees, to see the Board in action. Interviews also extended to the Company's Operating Board members to evaluate the manner in which the Board interacts with the executive team. The process was extremely worthwhile and led to some valuable learnings that will help us to improve further, but I am pleased to say that the overwhelming outcome was that this is a highly effective and engaged board.

Further details of the Board's work are included in the Governance and Committee sections of this Annual Report.

### Dividend

At the time of the interim results in July 2024 the Board declared an interim ordinary dividend of 19.0 pence per share (2023: 16.0 pence per share). In line with our progressive ordinary dividend policy and our target for the ordinary dividend to be twice covered by earnings, the Board intends to recommend at the annual general meeting ('AGM') a final dividend of 50.0 pence per share (2023: 46.0 pence per share), giving a total ordinary dividend for the year of 69.0 pence per share (2023: 62.0 pence per share).

Our capital allocation policy, as outlined in the Financial Review, details our approach to distribution, and the methodology for determining and returning any surplus cash to shareholders. In May 2024, in application of this policy, the Board paid a special dividend of 40.0 pence per share.

### Looking ahead

Greggs made strong progress in 2024 and demonstrated its ability to respond to tighter market conditions in the second half of the year. This, and the Company's robust financial health, puts us in a good position to deliver our plans for long-term profitable growth, whilst navigating near-term developments in market conditions. The Board remains confident in the Greggs business and our future plans.

### Matt Davies

Chair

4 March 2025



## Our purpose...

To make great tasting, freshly prepared food accessible to everyone

### Our people...

**33,000**

amazing colleagues  
across our business



People are at the heart of everything we do. We have 33,000 amazing colleagues across our business – in our shops, supply chain and central support teams – and each and every one has an invaluable part to play in our success.

Our colleagues work together to provide our customers with the best experience every day. We want to provide them with a great place to work, where they feel valued, want to stay with us, and can thrive and be the very best version of themselves.

Find out more about Our People on pages 40 to 45

### ...focus on our four strategic pillars...

#### QUALITY

**Great tasting,  
freshly prepared food**



#### SERVICE

**Best customer  
experience**



#### VALUE

**Competitive  
supply chain**



#### ENGAGE

**First-class  
support teams**



### ...and continue to enhance our offering by...

1. Broadening customer appeal
2. Growing and developing the Greggs estate
3. Developing our digital channels
4. Expanding our evening trade
5. Investing in our supply chain and technology for a bigger business



Find out more about our strategy on pages 26 to 37

## Our vision...

### To be the customers' favourite for food-on-the-go

#### ...delivering value to all our stakeholders...

##### CUSTOMERS

# No.1



Greggs is rated No.1 for value on the YouGov BrandIndex 2024, within the quick-service restaurant, coffee shop and delivery services group.

We want our customers to have the best experience with Greggs, wherever, whenever and however they shop with us. And we want them to visit us time and time again. So, we have been working to expand and improve our 2,600-strong shop estate, as well as our wholesale and delivery partnerships. We have also been working hard behind the scenes to develop and enhance our digital channels to offer more value and convenience to our customers via Click + Collect and the Greggs App. Our App enables us to communicate with our customers and reward them for their loyalty.

##### COMMUNITIES

# £5.45m



(2023: £4.5m)

Greggs believes in giving back to the communities we serve. With our support, The Greggs Foundation was able to distribute £5.45 million last year to schools and charitable organisations in the UK.

##### SUPPLIERS

# 93.8%



(2023: 94.5%)

We're also a great brand to work with – over 90% of invoices were paid to suppliers within the terms agreed.

##### COLLEAGUES

# 74%



(2023: 74%)

Greggs is a great place to work, with a 74% engagement score in the most recent colleague engagement opinion survey.

##### SHAREHOLDERS

# 69.0p



We provide value to our shareholders, with a 69.0p ordinary dividend proposed in line with our progressive dividend policy.



#### ...and helping realise The Greggs Pledge to build...



**Stronger, healthier communities**



**A safer planet**



**A better business**



More about The Greggs Pledge on pages 47 to 49

Find out more about how we engage with our stakeholders on pages 81 to 87

# ADAPTING TO MARKET CHANGES

At Greggs, we pay close attention to the evolving macro and consumer trends that we believe are most likely to impact our operations. This allows us to anticipate and mitigate challenges, and also to seize new opportunities as they arise.

## MACRO TRENDS

### Climate change

The climate crisis requires urgent action, and businesses have an important role to play. Improved governance and reporting across all industries and sectors will continue to drive the reduction of carbon emissions across society, assisting with both adaptation and the transition to a low-carbon future.

### Nature and biodiversity

Human activities are causing a worrying decline in biodiversity. An increasing human population is putting ever-greater pressure on natural habitats and leading to the over-exploitation of our natural resources, concerns which are further exacerbated by changes to the climate caused by human activity.

### Geopolitical uncertainty

Global political tensions and conflicts continue, and Greggs must ensure business security and continuity in uncertain operating conditions.

### Inflation/cost of living

Economic pressure from inflation is directly impacting the market and our consumer base.

## Greggs response

More extreme weather may affect our supply chain, infrastructure and operations; we have undertaken work to fully understand the key risks and impacts of climate change on our business. Our Net Zero Steering Group is challenging the climate impact of every area of our operations and driving action to reduce it. We aim to be net zero by 2040 – a decade earlier than the UK Government's plan.

Find out more in our TCFD Report on pages 50 to 58

Wherever possible, we seek to avoid contributing to deforestation or land-use change by purchasing certified sustainable commodities – such as wood-based products, beef, palm oil and soy. Further details can be found within our deforestation policy.

Our recent partnership with EcoVadis gives us the option to assess the environmental practices of chosen suppliers and continue to review the wider impacts of our operation to identify further improvements we can make.

We ensure business resilience through our ongoing enterprise risk management (ERM) process.

As a value-led business, it is vital that we monitor the economic situation and find ways to mitigate costs to ensure we continue to support our customers and communities with great tasting, affordable products.

## CONSUMER TRENDS

### Dietary shifts

A growing number of consumers are choosing to reduce their consumption of animal products for ethical, health or environmental reasons.

### Ultra-processed food

According to the Food Standards Agency, since August 2023 ultra-processed food has been one of the top three concerns raised by consumers surveyed in its Consumer Insights Tracker, with three out of four respondents saying they are worried.

### Healthy eating

Rising obesity levels and diet-related ill health are putting enormous pressure on the NHS. The UK Government is combating this through policy and education programmes aimed at improving the nation's eating habits – this includes the new Advertising (Less Healthy Food Definitions and Exemptions) Regulations 2024, which come into force in October 2025.

### Eco-conscious consumers

Consumers' buying habits are increasingly influenced by their concern for the environment and a desire to reduce pollution and avoid wasting resources. We use our Eco-Shop as a test bed for new sustainability initiatives. Ideas that successfully help us reduce energy and water use are then rolled out to all new shops and refits.

## Greggs response

We pay close attention to changing consumer preferences and capitalise on the growing trend towards eating less meat through our innovative range of plant-based products, beginning in 2019 with the launch of our – now iconic – Greggs Vegan Sausage Roll. We offer at least one vegan option to our customers at all times of the day.

While there is no single, universally agreed definition for ultra-processed food, we adopt the most commonly used [NOVA](#) classification. We will continue to work across the industry, and with Government departments and non-Governmental organisations (NGOs), as more information on ultra-processed food becomes available. Processing can play an important role in food safety, nutrition, and in making food more affordable but we are committed to improving the nutritional value of our products wherever possible.

We have committed to ensure that at least 30% of the products on our shelves are healthier choices through expanding our range of salads, flat breads, rice bowls and fruit pots. We have reformulated many of our sweet treats and savouries to reduce the sugar, salt, fat and calories in them without impacting their taste. We help our customers to make informed choices by providing calorie and nutritional information on shelf, on packaging, and on the Greggs App and website. We will adapt our approach to advertising as required to ensure we align to Government regulations.

More than a quarter of our shops now feature initiatives tested at our Eco-Shop. We aim to redistribute unsold food from our shops at the end of every day and use our Outlet shops, our national network of charity partners and Too Good to Go 'Magic Bags' to help us. Almost all of our Greggs retail branded packaging is 'easily recyclable' according to the On-Pack Recycling Label scheme, meaning most households have access to recycling facilities for these materials.



£2

BILLION

**2024 was a record-breaking year for sales and profit and we exceeded two billion pounds of sales for the first time.**



# THANKS TO THE DEDICATION OF OUR PEOPLE, WE HAVE ENJOYED ANOTHER SUCCESSFUL YEAR. WE CONTINUE TO LAY STRONG FOUNDATIONS FOR OUR FUTURE GROWTH.



2024 was another record-breaking year for Greggs; we exceeded £2 billion in sales for the first time and opened our 2,600th shop. Our people have worked tirelessly to deliver on our strategic ambition to further establish Greggs as a multi-channel food-to-go retailer and I want to acknowledge their efforts. It is thanks to their hard work, week after week, that we continue to grow, all the while maintaining the great prices, high-quality products and friendly service that keep our customers coming back, again and again.

Roisin Currie  
Chief Executive

In 2021, we set our sights on doubling sales by 2026 and having a significantly bigger business over the longer term. Three years into this five-year plan, sales are on track and we continue to be confident in the growth opportunity in front of us. The brand is in better shape than ever, with a material opportunity to continue growing and developing the Greggs estate and plenty of scope to continue to grow in newer dayparts and channels. We continue to lay the foundations for this growth opportunity by investing in our manufacturing and logistics capacity. We have commenced building work on two large new sites in the Midlands, a frozen product manufacturing and logistics facility in Derby and a chilled and ambient National Distribution Centre in Kettering, building additional capacity which will allow us to service up to 3,500 shops.

The growth strategy that we began implementing in 2021 has proven hugely successful and we remain committed to pursuing our four key drivers of growth: broadening customer appeal; increasing and developing our estate; extending evening trade; and using digital channels to expand our home delivery offer and Click + Collect – all underpinned by significant investment in our supply chain and technology. Our assessment of the opportunity to grow to an estate of significantly more than 3,000 shops remains unchanged, and we see further opportunity to gain increased market share in the evening daypart and delivery channel, whilst also maximising the value of the customers who now use our App.

In 2024, our like-for-like sales in company-managed shops were up 5.5% year-on-year despite the food-to-go market being challenging, with no volume growth in the market overall. We maintained our overall share of the market and retained our position as the UK's No.1 brand for food-to-go breakfast (Source: Circana CREST, YE December 2024), helping to start the day well for millions.

As we attract new customers and increase sales, it is imperative we invest in our infrastructure – both physical and digital – to keep pace. We aim to simplify operations, improve efficiencies, and use data and technology to drive better decisions and reduce complexity for our people.

## A HEALTHIER CHOICE WHEN SHOPPING WITH US

**We are always working on making our existing range healthier. We continue to review the recipes of our core products to find ways to deliver great tasting meals and snacks which contain less sugar, calories and salt.**

In 2017, the UK government published new recommended limits on salt and calories, and we considered what was possible and set out to achieve 92% of them by the end of 2025. By the end of 2024, we had reached 85.1% and continue to work towards our target. The impact of the changes we have made to our recipes delivers astonishing results. Since 2022, we have removed 2.7 billion calories and 48 tonnes of salt from our customers' diets without impacting their enjoyment of the Greggs range.

As well as helping our customers to eat less salt, fat and sugar, we also want to help them get more of the good stuff like protein and vitamins. Every one of our soups and rice boxes contains one portion of vegetables, and 50% of our own brand cold sandwiches provide half a portion.

We define a 'healthier choice' as a menu item that contains fewer than 400 calories and scores no red traffic lights on the Government's voluntary labelling scheme, which provides consumers with nutrition information on the front of the pack. The full traffic light label consists of information on calories, fat, saturated fat, sugar and salt. More than 30% of our range meets these criteria.



A key part of this is the evolution of our supply chain operating model. In 2016, we began to move away from a traditional regional bakery model – where every site made every product – towards a consolidated, centralised approach. Today, our nine production facilities are manufacturing centres of excellence, specialising in specific products and producing them at scale.

Our plans for further growth will require additional capacity in our supply chain over the coming years. During 2024, we introduced a fourth savoury line at our Balliol Park site in Newcastle upon Tyne, increasing production capacity for savoury rolls and bakes by circa 35%, and completed work on expanding our Radial Distribution Centres in Amesbury and Birmingham providing 300 additional shops of logistics capacity. We also set in motion two major new development projects: a new frozen manufacturing and logistics facility in Derby (due to open in 2026) and a new National Distribution Centre in Kettering (due to open in the first half of 2027). Both sites are designed to support our Radial Distribution Centres and will significantly increase our logistics capacity; when both are operational we will be able to service an

additional 700 shops through the automated upstream picking of frozen, chilled and ambient goods, taking our total logistics capacity to 3,500 shops.

Having led this significant transformation project since 2012, our Supply Chain Director, Gavin Kirk, has now retired. He handed over to Kuldip Bains who has joined Greggs from Bakkavor Group plc where he was responsible for operational excellence across their 15 manufacturing sites and four distribution sites. I wish to thank Gavin for leaving our supply chain transformation project in such a strong position, ready for Kuldip to maximise the significant growth and efficiency opportunities ahead.

I would also like to thank Jonathan Jowett who is retiring after 15 years' service to Greggs as our Company Secretary & General Counsel. He played a key role in Greggs growth from bakery to multi-channel food-to-go retailer, ensuring we have a robust governance structure in place. He hands over to Sarah Dickson, former Deputy General Counsel and Data Protection Officer at Marks and Spencer and, prior to that, Senior Director for Regulatory Compliance at Asda.

As we forge ahead into 2025, I know we have the right senior team in place to take our business from strength to strength. We have established strong foundations for future growth, and I look forward to another year of solid progress towards our goals.

### Financial results

Total sales grew to £2,014 million in 2024 (2023: £1,810 million), an 11.3% increase on the level seen in 2023. Within this, company-managed shop like-for-like sales were 5.5% higher than 2023.

Underlying pre-tax profit for the year increased by 13.2% to £189.8 million (2023: £167.7 million). For further detail, see the Financial Review. Including exceptional gains, pre-tax profit for the year increased to £203.9 million (2023: £188.3 million).

## Our key drivers of growth

### Broadening customer appeal

Our mission is to provide our customers with excellent value for money, great quality food, and fast and friendly service. To ensure that we are as accessible as possible, we continue to extend opening hours, increase the reach of home delivery and open shops in more locations. Through new product development, our loyalty programme on the Greggs App, and engaging, relevant communications, we continue to reach new customers and deepen our relationship with our existing ones.

During 2024, we further evolved our range, allowing us to meet our customers' needs and desires through all channels and in every daypart. We rolled out our popular over-ice drinks range following a successful trial and these are now available in 1,175 shops, along with chilled 'Ready-to-Drink' Latte and Caramel Latte canned products. We extended our 'healthier choices' menu with new pasta dishes and Chicken Pesto and Spicy Mexican Bean Flatbreads. Our hot food menu is proving increasingly popular, with pizza deals driving strong growth, and we conducted successful trials of made-to-order options during the lunch and evening dayparts. Our new add-on product, Mozzarella & Cheddar Bites, won the 'New Food To Go Award' at the 2024 'Sammies' (the Sandwich & Food To Go Industry Awards).

We rotate our product range across the year to provide enticing novelty, with customers enjoying the return of seasonal stalwarts, such as the Festive Bake and Vegan Festive Bake, as well as new twists on old favourites. Popular new seasonal products in 2024 included the Cherry Bakewell Muffin, Spicy Vegetable Curry Bake, Pumpkin Spice Doughnut, Gingerbread Latte, Christmas Lunch Baguette, and Festive Flatbread.

According to Brand Finance's latest ranking, Greggs is now the UK's second-strongest brand (UK 250 2024) with a triple-A rating. This is derived from high scores for value for money, consideration and familiarity, and demonstrates that we are deeply rooted in customers' minds – a key advantage in the food-to-go market, where success is driven by being front of mind when customers are seeking food-on-the-go.

## AWARD-WINNING!

Greggs is incredibly proud to receive the Gold Award in Britain's Most Admired Restaurant and Pub sector 2024. The Britain's Most Admired Companies study measures more than 250 of Britain's largest companies across 27 sectors, against 13 individual criteria. This year marks the 11th time Greggs have been named the Gold winner for the Restaurants and Pubs sector. This recognition is a testament to the hard work, dedication and commitment of all our colleagues across the business.



Our mission is simple: to make Greggs accessible, wherever, whenever and however our customers need us, while ensuring we offer great value and great quality, freshly prepared food and drink on-the-go. As we celebrate this achievement, we're also excited about the future and continue to invest in growth across the business. We remain focused on broadening the appeal of Greggs to existing and new customers and making our offer accessible to more people, through our multi-channel approach and expansion of our shop estate in the UK. Thank you to all of our colleagues, customers and shareholders who have been part of our journey.



The popularity of the Greggs brand allows us to cut through in fun, entertaining and engaging ways, celebrating British culture in our trademark tongue-in-cheek way. As a value-driven brand, generating media coverage in this way is a key part of our customer engagement strategy and, in 2024, we made notable appearances at Vicky Pattison's wedding, Olly Murs' baby shower, and at the beach in Whitley Bay, Tyneside, where Rosie Ramsey helped to launch our Fish Finger Sandwich. After the huge success of the Greggs Bistro in Fenwick Newcastle in 2023, we returned in 2024 with the pop-up Greggs Champagne Bar, pairing customers' favourite bakes and rolls with a curated selection of champagnes.

During London Fashion Week in September, we launched 'Baked in Gold', a limited-edition collection of 22-carat gold-plated jewellery featuring Sausage Roll earrings, a Jammy Heart Necklace and even a Greggs charm bracelet. The range of 1,000 items – the first from a food-to-go retailer – was designed and hand-crafted by contemporary British artist Dion Kitson and sold out within an hour of its launch.

Every year we look for new, innovative and fun ways to celebrate the return of our much-anticipated Christmas menu. This year, we recruited Nigella Lawson to star in our Christmas advert, letting the nation know that even the most sophisticated of palates revel in the 'rapturous riot of flavour' that is our Festive Bake.

### Growing and developing the Greggs estate

Expanding our national network of shops is central to our growth plans. In 2021, we launched our five-year growth plan, outlining our ambition to reach significantly more than 3,000 shops in the UK in the longer term. In November 2024, we opened our 2,600th shop, marking a significant milestone in our estate expansion strategy.

Over the course of the year, we opened an average of four new shops every week and, on 28 December 2024, had 2,618 Greggs shops across the UK (2023: 2,473). In total, we opened a record 226 new shops (2023: 220) and closed 81 shops (28 closures and 53 relocations), resulting in 145 net new shop openings.

We opened six shops in Northern Ireland, taking the total in this region to 23. This is a developing market for Greggs where we see potential for further growth and we have a strong new shop pipeline in place for the year ahead.

In addition to finding new sites, relocating existing shops is a key part of our strategy to grow the Greggs estate. During 2024, we closed shops in 53 locations to make way for a better one either nearby or by expanding into a vacant unit next door, allowing us to serve more customers and expand our offer in that community. Relocating shops enables us to retain the existing shop team whilst adding the space needed to reach more customers. This might be by providing seating, housing new equipment to expand our range into hot products or iced drinks or installing an assembly station to better meet the needs of Click + Collect customers and delivery couriers. In these locations in the heart of communities, our customer base is already well established and further investment unlocks swift, profitable growth. Relocated shops see a circa 30% increase in sales on average in the year after the change of location which, consistent with our treatment of all new shops, are excluded from our like-for-like sales growth measure until they have completed one full calendar year of trading.

As an example, we first opened a shop on London's Cheapside in 2012 and it quickly became a success. However, both the size and shape of the property were a constraint to growth. We wanted to add channels to improve sales and began to look for another space. Fortunately, the unit next door became available, enabling us to create a larger shop with ample seating and a significant upgrade to the customer area.

Similarly, we conducted an extensive programme of refits; refurbishing, reconfiguring or extending 125 company-managed shops and 40 franchised shops to make them more modern and appealing, as well as better set up to support our multi-channel offer.



We continue to focus on broadening our presence beyond the high street and almost half of our shops (48.5%) are now in alternative locations such as petrol forecourts, roadsides, transport hubs, retail parks, supermarkets, universities and hospitals. Ten years ago, these locations represented just 18.1% of the Greggs estate. As well as offering a strong return on our investment, these are the locations where we see the greatest potential for future growth. During 2024, 144 of the 226 new shops we opened were away from the high street, including 11 standalone drive-thrus, and 11 shops inside large supermarkets. Notable openings in travel hubs included three in Glasgow (Queen Street, Central and Motherwell railway stations), Embankment London Underground station, a second shop at London Bridge station, and Blackpool Tram Station. Securing transport locations means we can place a shop inside a closed catchment, ensuring customers in those locations have more choice when they grab their breakfast, lunch or dinner whilst on the move.

Greggs is a trusted brand offering a strong covenant to landlords and franchise partners and this continues to generate opportunities in new locations. Our new shop pipeline is strong, and we remain confident that we will deliver between 140 and 150 net openings again in 2025. We will continue our dual strategy of growing our high street presence by relocating shops and refitting existing ones, as well as opening new shops where Greggs continues to be underrepresented, such as retail parks, railway stations, airports, roadsides and supermarkets.

### Extending evening trade

Evening sales now represent 9.0% of company-managed shop sales, up from 8.5% in 2023, with post-4pm trading again being the fastest growing daypart.

We know that relevant menu development is key to our success in the evenings. Our hot food range, in particular our Southern Fried Chicken Goujons and Southern Fried Potato Wedges, continue to perform well after 4pm. In 2024 we launched a BBQ Chicken & Bacon Pizza and complemented the well-established six-slice pizza box with the introduction of a smaller four-slice box.



We have also expanded our made-to-order offer. In 2024, we carried out a 'made-to-order' trial in ten shops in Newcastle upon Tyne and are now inviting people to customise orders for Fish Finger Wraps, Fish Finger Sandwiches, Chicken Wraps, and Chicken Burgers at circa 140 shops. Customers can choose from a variety of sauces, plus add-ons of bacon and cheese, and enjoy it as part of a meal deal with wedges and a drink from £5. We plan to introduce these made-to-order options at a further 200 locations by the end of the first quarter of 2025.

During the summer, we launched a CRM campaign called 'Happier Days', utilising the Greggs App to grow evening trade, offering double reward stamps on every purchase after 5pm from 8 July to 10 August. During this campaign we saw a strong uplift in evening like-for-like sales compared to other dayparts, and transactions remained higher following the campaign, showing the lasting effect of the promotion.

Over the longer term, the ongoing evolution of our menu and the convenience and diversity of our shop estate offers a significant opportunity to further increase our share of both the walk-in and delivery evening markets.

### Developing digital channels

The Greggs App, Click + Collect, and our partnerships with Just Eat and Uber Eats help drive forward our ambition to become a multi-channel retailer. Whether a customer wants to visit a shop, order in advance or have food delivered to their home or workplace, we want their experience to be smooth, easy and quick.

Use of the award-winning Greggs App continues to grow, with customers scanning it in 20.1% of transactions in company-managed shops during 2024 (2023: 12.5%). This notable growth in the use of Greggs Rewards has been driven by the value the App offers; we reward customers who collect nine stamps in a category by giving them their tenth item free. The App also allows us to promote products and flag new menu items, while allowing customers to find their nearest Greggs and check opening times. We continue to focus on making sure it is easy and intuitive to use and are pleased that it is rated 4.8 out of 5 on both Google Play Store and Apple's App Store. We ended 2024 in the No.1 spot for free Food & Drink apps on both app stores.

Effective customer relationship management is key to unlocking further growth from the App and, this year, we implemented a new customer engagement platform that is helping us to



**Evening sales now represent 9.0% of company-managed shop sales, with post-4pm trading again being the fastest growing daypart."**

understand our customers at a much more granular level, further enhancing our ability to engage with them and increase loyalty. It has allowed us to use geo-targeting to identify top App users in a particular area to offer money-can't-buy benefits, such as an invitation to a sommelier event at the Fenwick Greggs Champagne Bar. When we had special product launches, such as for the Baked in Gold jewellery range or Greggs Top Trumps, we sent App users a link to our online shop before we posted it on social media.

During 2024, we increased the number of shops offering home delivery to 1,556 (2023: 1,440). Collectively, our customers placed circa 10 million orders through the Just Eat or Uber Eats apps over the year, with basket sizes on average more than double those of walk-in customers. Sales through this channel were up 30.9% compared with 2023, and in 2024 delivery represented 6.7% of company-managed shop sales (2023: 5.6%).

Behind the scenes, we have been improving our operational procedures to fulfil demand and make the experience slicker



for both customers and colleagues. This includes better menu management in our shops and streamlining the menu to make it easier for customers scrolling online. Next, we are focusing on providing our customers with more accurate estimations of courier arrival times.

### Investing in our supply chain and technology for a bigger business

As our shop estate grows, we are expanding our manufacturing and logistics capability to ensure that our supply capacity can meet increased demand.

In early 2024, we finalised the commissioning of a fourth manufacturing line at our Balliol Park site in Newcastle, increasing levels of automation and boosting production capacity for our savoury rolls and bakes by 35%.

We also completed the redevelopment of our Amesbury and Birmingham Distribution Centres, doubling capacity at the former and streamlining operations at the latter. Together, these investments in our logistics infrastructure mean that we are now set up to support an additional 300 shops.

During the year, we signed agreements for two new state-of-the-art sites in the Midlands. The first, at SmartParc in Derby, will be both a manufacturing and logistics facility, replicating the success of our northern frozen manufacturing and logistics campus at Balliol Park. In addition to an automated cold store, the new site (due to open in 2026) will introduce automated picking right down to the shop level.

The second new site, in Symmetry Park, Kettering, will be a National Distribution Centre for storing, picking and distributing ambient and chilled goods. In January 2025 we purchased a 25-acre plot and have begun building the facility, which we expect will be operational in 2027. The site will embrace increased levels of automation to enable upstream picking, relieving pressure on our Radial Distribution Centres. This allows us to increase throughput and improve the productivity of our entire logistics chain.

Together, these two new sites will allow us to support a total estate of up to 3,500 shops. In addition, they are being purpose-built to include developable 'white space' that will allow us to make additional investments to support further growth, as required. The expected impact of these investments on the shape of margin and returns is set out in the Financial Review.

In addition to physical infrastructure, we are ensuring that we have the right technology and systems in place to maximise efficiency and minimise complexity right across our operations. This includes the implementation of new EPOS till software to improve how we manage pricing and promotions. We also began the project to transition to an updated enterprise resource planning software system, SAP S/4HANA, which brings greater AI and analytics capability to help streamline processes, improve productivity and give us real-time insights. All these investments are generating better data which we can use to adjust and improve how we do things. As our business becomes more complex, we will use AI and technology to make our people's jobs as simple as possible, lightening the cognitive load and letting them get back to what they do best: providing amazing service for our customers.

As our shops become ever more reliant on connectivity, we have invested in introducing full fibre broadband at every shop where it is available. We are upgrading all our Chip & Pin devices to ensure that we are utilising the most efficient technology available. We are also testing new initiatives aimed at driving further sales growth and delivering efficiencies, for example in 2025 we will trial touchscreen kiosk ordering and remote temperature monitoring.

### Looking after our people

As the employer of 33,000 people – many of whom work flexibly or part-time – we feel a responsibility to help improve their financial security. One way in which we do this, whilst also driving engagement, is through our longstanding profit share scheme. We continue to share 10% of our profits between colleagues who have been with us for six months or more, which this year will see qualifying colleagues share £20.5 million.



Once again, we have reviewed our pension contributions. Last year, we increased the Company's matched contribution to 6% and, in the year ahead, will raise it again to 7%, helping our people to save for their future. We continue to offer a colleague discount when buying Greggs products, and provide a Sharesave scheme that enables our people to purchase Greggs shares at a discount.

We have reviewed our family-friendly policies and increased maternity and paternity pay. Our intention is to support our people, whatever their stage of life, to make sure they can balance their family commitments with their career aspirations.

Improving the diversity of our workforce is one of the ten commitments of The Greggs Pledge, and our ambition is that we reflect the communities we serve by the end of 2025. In September 2024, we held our first internal Inclusion Conference, during which we reflected on and celebrated the progress we have made in this important area. We now have three colleague

inclusion networks: REACH (our ethnicity group), ENABLE (our disability group) and PRIDE (our LGBTQ+ group) that aim to support these communities and improve access to opportunities. We recognise that we need to work harder to achieve greater ethnic diversity in our management population and are actively encouraging colleagues from a minority background to apply for our leadership development programmes.

### Giving back

With such a large workforce, our greatest contribution to society is providing fairly-paid, sustainable jobs to tens of thousands of people across the country.

In addition, we contribute 1% of our pre-tax profits to The Greggs Foundation (the "Foundation") which distributes it to communities through initiatives such as Breakfast Clubs, hardship funds, and its community grant schemes. In 2024, we donated £3.1 million to the Foundation – this includes donating 1% of our pre-tax profits,

and a share of profits from our Outlet shops. This was topped up by a further £1.1 million raised by our colleagues and customers through in-shop donations, two Breakfast Club appeal weeks, colleague Give As You Earn donations and fundraising. We also donate 5p to the Greggs Foundation for every Jammy Heart Biscuit and children's sandwich sold.

We have supported BBC Children in Need for 18 years now, raising over £13 million for them in that time. 2024 was no exception and the collection buckets, merchandise and Pudsey biscuits in our shops during November raised over £1 million for the charity.

We also support Children's Cancer North by funding the delivery of their Children's Cancer Run every May, putting collection buckets in our shops in the North East and Cumbria, and encouraging customers to participate in the event.

### The Greggs Pledge

Since launching The Greggs Pledge in 2021, the business has united around ten clear commitments, and we have driven progress in every area. As we enter the final year of this phase of our journey we have now met or exceeded some of our original targets, and are on track to meet most of the others, and I am very proud of what we have achieved together.

Every one of our colleagues can be part of The Greggs Pledge journey – and I know so many of them feel very passionate about contributing to making Greggs a better business; it is a source of real pride and purpose.

In a fast-changing world, it is important that we regularly review our approach and, this year, we conducted a materiality assessment to ensure that our priorities are still the correct ones. We asked our people, suppliers and partners where we need to concentrate our efforts next, and we are now collating that feedback ready to evolve our approach in 2026.



**We remain on track to becoming a net zero business by 2040, and to meeting our nearer-term goal of using 100% renewable energy by the end of 2025.”**



We group the ten commitments of The Greggs Pledge into three areas: Stronger, Healthier Communities; Safer Planet; and Better Business. Below are some highlights from the past year.

### **Stronger, Healthier Communities**

Greggs Foundation launched its first Breakfast Club in 1999 and, 25 years later, proudly celebrated the opening of its 1,000th club. These clubs provide a free and nutritious breakfast to over 75,000 school children every day, helping to tackle hunger in some of the UK's most deprived communities.

We are delighted that the Government is proposing to introduce funded breakfast clubs for primary schools and are now looking at how our support for Greggs Foundation can extend the positive impact of breakfast clubs across more of the school day.

Greggs Foundation will be building on the long history of its Breakfast Clubs to add even greater value to the network of 1,000 schools. Now called Feeding Brighter Futures, The Greggs Foundation's schools programme will continue to incorporate Breakfast Clubs for as long as supported schools need them, as well as developing additional support through after-school clubs and holiday club provision. The Foundation gives schools the freedom and funds to choose nutritious options and activities that will help children overcome barriers and provide new opportunities for learning.

Another way we tackle food insecurity is by redistributing our unsold food. Our 'daily fresh' approach means that products that haven't been sold by the end of the day are taken off our shelves. We use several channels to redistribute unsold food: our Outlet shops; charity partners; the Too Good To Go app; and colleague Magic Bags. We redistributed 45% of all unsold food through these channels in 2024 (2023: 41.9% redistributed) and returned the remainder to our manufacturing sites from where it was sent to an anaerobic digestion facility that composts the food and creates biogas.

Our supply sites also have a longstanding partnership with FareShare and during 2024 we donated 50 tonnes of food which was then passed on to more than 1,500 charities across the UK. We have given them around 420 tonnes of food during the entirety of our partnership which, according to WRAP's meals calculator, is equivalent to 1 million meals – a significant milestone.

We have also grown our network of Greggs Outlets to 38 shops, allowing us to sell day-old products at a big discount in places of higher social deprivation. A portion of the profits from each Outlet shop is then donated to community charities that support people in the local area.

Building stronger, healthier communities is also about making sure that we are supporting our customers to eat a healthier diet. During 2024, we again delivered on our commitment to ensure that at least 30% of our product range is a healthier option and expanded our range of flatbreads, salads and fruit pots.

### **Safer Planet**

We remain on track to becoming a net zero business by 2040, and to meeting our nearer-term goal of using 100% renewable energy by the end of 2025. Wherever we are responsible for sourcing the electricity, we choose to purchase 100% renewable electricity and, in a relatively small number of shops where our landlords don't do the same, we are encouraging them to change. We have succeeded in moving 60% of the gas we use to renewable sources and, over time, are switching away from gas towards electricity.

In 2024, we converted one of our major distribution depots to allow us to power our vehicles on Hydrotreated Vegetable Oil (HVO) instead of diesel. This allows us to drive approximately two million miles each year using renewable fuel, circa 10% of the total miles our logistics fleet drives each year.

We test new environmentally-friendly technologies in our Eco-Shop in Northampton and those that work well and demonstrate impact are added to our standard shop fit-out. As a result, over a quarter of our shop estate now features equipment that is helping us to save water, create less waste or use less energy.

Looking ahead, our Scope 3 carbon footprint is the area where we see the largest opportunity to reduce emissions. A significant number of our suppliers have now publicly declared a net zero target of their own and we are having constructive conversations with them to see what we can learn from each other, and how we might work in partnership to further reduce carbon in our value chain.

### Better business

We recognise that our people are crucial to our success, and we make sure that they are fairly remunerated, given opportunities to progress, and treated well. We aim to offer inclusive workplaces and are striving to build diverse teams that better reflect the communities we serve.

Being a better business also means using our buying power as a force for good. We have a clear sustainable procurement vision: "To source and collaborate with suppliers to accelerate The Greggs Pledge to build strong, healthy communities, make the planet a safer place and build a better business." This vision keeps human rights, animal welfare, and environmental sustainability top of mind.

During 2024, our procurement team has focused on improving the sustainability information we collect during our onboarding and tendering processes, and our growing capability to utilise sustainability data such as EcoVadis assessments.

### A forward look

Looking ahead to 2025, the macroeconomic landscape remains tough. Inflation remains elevated, and many of our customers continue to worry about the cost of living. After years of financial anxiety, they are still facing concerns about energy prices and increased mortgage and rent costs.

Despite a challenging food-to-go market, Greggs has demonstrated its ability to make positive progress and we remain confident that Greggs can and will continue to grow. The five-year strategic plan that we set out in 2021 is proving successful. We constantly adapt our plans to meet the evolving landscape, and we remain confident in the growth opportunity in front of us through broadening our appeal, expanding our estate, extending into the evening daypart, and developing our digital offer – all underpinned by significant investment in our supply chain and technology.

Increases in employment taxes will significantly increase our wage bill, and that of other retailers, in 2025, but we have dealt with significant cost inflation effectively over recent years and remain confident in our ability to manage the impact of cost inflation on the business. We are relentlessly focused on improving efficiencies which supports our position as a value-led brand. To the extent that we cannot mitigate cost inflation through savings, we recover it through careful pricing activity, which we strive to keep to an absolute minimum to ensure that we protect our reputation for offering great value.

Our number one place in YouGov's poll for the most popular Quick-Service Restaurant, Coffee Shop and Delivery Service brand and strong ratings for quality and value for money (source: YouGov Brand Health, December 2024) leave us confident that we will continue to win in the food-to-go market.

### Current trading and outlook

Like-for-like sales in company-managed shops have increased by 1.7% year-on-year in the first nine weeks of 2025 with challenging weather conditions in January followed by improved trading in February. We have a strong pipeline of new shop openings ahead as we pursue our ambitious growth plans and invest in the supply chain capacity that supports this. Management's expectations for 2025 are unchanged and we are confident that Greggs can manage inflationary headwinds and deliver another year of progress in 2025.

I remain optimistic about the many growth opportunities available to Greggs and have great confidence in our people's ability to unlock them.

### Roisin Currie

Chief Executive

4 March 2025

# ENSURING GROWTH IN THE YEARS AHEAD

## OUR FUNDAMENTAL STRATEGIC PILLARS

Our vision is to be the customers' favourite for food-on-the-go. While we've enjoyed tremendous success in recent years, our journey is far from over. We have an ambitious plan to double sales over five years and while the fundamental strategic pillars of our business model have not changed, we are continually learning and adapting.



### Great tasting, freshly prepared food

You cannot beat freshly baked, freshly prepared food. With our great flavours, responsibly sourced ingredients, consistent quality and outstanding value, our food-on-the-go leads the way.



### Competitive supply chain

By owning our supply chain, we're able to make our tasty products and transport them to our shops ourselves – offering our customers food that delivers the best possible value for money.



### Best customer experience

Fast and friendly service is a key reason why customers choose Greggs. Great service is not an easy thing to deliver under pressure, and our shop teams do an amazing job. Through our Greggs App, we can build long-lasting relationships with our customers and reward their loyalty.



### First-class support teams

We've invested heavily in our systems and technology. They equip our support teams to provide the best service to their colleagues and, ultimately, to our customers.

## The Greggs Pledge: dedicated to doing good



### Stronger, healthier communities

We pledge to play our part in improving the nation's diet, providing free breakfasts to school children, supporting families in hardship and giving surplus food to those who need it most.



### Safer planet

We pledge to become a carbon-neutral, zero-waste business.



### Better business

We pledge to increase the diversity of our workforce and to use our purchasing power responsibly, with the aim of making things better in our supply chain.

Find out more about  
The Greggs Pledge in  
our sustainability report



To reach our full potential in the years ahead, our strategy is focused on four key drivers of growth and underpinned by investment in our supply chain and technology.

## OUR KEY DRIVERS OF GROWTH

### 1. BROADENING CUSTOMER APPEAL AND DRIVING LOYALTY

We continue to reposition the Greggs brand successfully as a customer favourite for food-on-the-go. Through our brand activity, and with timely and effective customer communication via our Greggs App and website, we have the opportunity to communicate effectively how Greggs can be a brand considered by more people, in more places, and at all times of day when customers need food-on-the-go.

### 3. DEVELOPING OUR DIGITAL CHANNELS

Through our digital channels, we can compete more effectively at all times of day. Our delivery partnerships with Just Eat and Uber Eats enable us to increase the reach of our shops beyond customers passing by and offer the added attraction of higher-than-average baskets by serving multiple customers in one order. Our Click + Collect service offers our customers the ability to browse our menu easily, skip the queues and personalise their order.

### 2. GROWING AND DEVELOPING THE GREGGS ESTATE

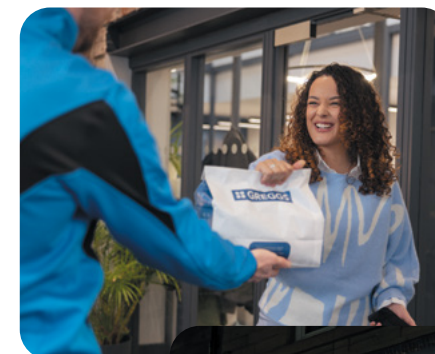
We have a strong pipeline of new shop openings alongside a significant opportunity to improve the quality of our estate through relocations and shop refits. Through significant investment in our supply chain, we are building capacity to support up to 3,500 shops across the UK.

### 4. EXPANDING OUR EVENING TRADE

By extending the trading hours in many of our shops, delivering new and exciting additions to our menu, and leveraging our existing customer channels – both walk-in and digital – we have a strategic opportunity to compete effectively for food-on-the-go sales in the evening.

## INVESTING IN OUR SUPPLY CHAIN AND TECHNOLOGY FOR A BIGGER BUSINESS

Underpinning our ambition to double sales over five years is significant investment in manufacturing and logistics building capacity for up to 3,500 shops. We see significant opportunities to grow our digital capabilities and enable more efficient operations through a programme of continuous improvement as the business grows.



OUR STRATEGY IN ACTION  
BROADENING CUSTOMER APPEAL AND DRIVING LOYALTY

# BROADENING APPEAL. DRIVING LOYALTY.

**No.1**  
overall

in the YouGov BrandIndex\*

**No.1**  
for Value

in the YouGov BrandIndex\*

**No.1** for  
Consideration

in the YouGov BrandIndex\*

\* YouGov BrandIndex, circa 24,700 sample, UK 18+ Nat Rep Total Population – data collected 1 January to 31 December 2024, Quick Service Restaurant, coffee shop and delivery services sector.

**We enjoyed a record year for our Greggs brand health metrics in 2024, as we continued to strengthen our position as the UK's leading food-to-go brand based on YouGov BrandIndex scores. We ended the year as the No.1 brand in seven out of 16 YouGov brand categories, including becoming the most considered food-to-go brand for UK consumers and leading the way for value.**

### **Serving customers morning, noon and night**

As we extended our menu and opening times to meet the needs of more UK consumers in 2024, we had almost half a billion transactions – with one in three adults across the country shopping with Greggs in 2024 (source: Circana).

We retained our position as the UK's No.1 brand for breakfast food-to-go, helping start the day of millions of customers across the country, and we continued to strengthen our lunchtime offering with new products including Chicken Pesto and Spicy Mexican Bean Flatbreads – and our Mozzarella and Cheddar Bites, which won the 'New Food To Go Award' at the 2024 'Sammies' (the Sandwich & Food To Go Industry Awards). The new over-ice drinks range went down well with younger customers, and into the evening, we continued to add to our popular range of single slice and boxed pizza.



We continued to invest in making the brand mean more to more people, and our new Greggs Gameshow ads resonated with customers across the UK, helping to improve customer perception across a range of key messages and metrics. Our brand activations continued to entertain and engage – including launching our exclusive 'Baked in Gold' jewellery collection (that sold out in under an hour!) and evolving our partnership with Fenwick by introducing the 'Greggs Champagne Bar' that served over 7,500 customers during the festive period. We also provided some fun for families across the UK at Christmas with the introduction of our 'Greggs Top Trumps.' We launched our Christmas menu with some help from Nigella Lawson, and were also able to bring a Greggs flavour to a number of occasions throughout 2024, including catering at the MTV EMAs in Manchester, Hardwick Live and Rock and Roll Circus, as well as feeding a very hungry crew backstage for Taylor Swift in Edinburgh.

All of this came together to deliver another record year for our brand health metrics, with Greggs being the most considered food-to-go brand in the UK in 2024 (source: YouGov BrandIndex 52 w/e 31/12/24). This highlights that our strategy is working with bigger and better shops, exciting new menu options and our growing multi-channel offer, customers now have even more reasons to come to Greggs.

### **Delivering even more value and insight through investment in data and digital channels**

We continue to develop a range of data-driven and digital workstreams, bringing more of our capabilities in-house, and supporting our teams with best-in-class suppliers and partners.

In 2024, we saw over four million new App users download the Greggs App and, alongside existing users, continue to receive even more value from our rewards scheme, earning and receiving free products – as well as having access to exclusive offers and events. Our ongoing investment in CRM and data capabilities saw us re-platform our CRM and data systems in 2024. This allowed us

to be more informed and work with new capabilities to encourage more customers to scan the Greggs App more often when they shop. This all led to a new record level of 20.1% of company-managed transactions being accompanied by a scan in 2024.

## **2025 PLANS**



As we work towards adapting our brand approach in line with the introduction of the new Advertising (Less Healthy Food Definitions and Exemptions) Regulations 2024 which will come into force on 1 October 2025, we'll continue to optimise our paid media strategy. We will also focus our creative efforts on our earned media investment and brand partnership opportunities, where we know we can always look to bring a smile and execute in ways that only Greggs can.

As we look to evolve our loyalty and promotional strategies, we will continue to build out and enhance our digital and data capabilities, whilst looking to understand and plan for how the use of AI can help to improve our operations and performance across digital channels.

As ever, we will look to continue to keep Greggs front of mind and deepen the emotional connection that customers of all ages and from all backgrounds have with the brand, our products and service experience – ensuring we continue to mean more to more people.

OUR STRATEGY IN ACTION CONTINUED  
GROWING OUR ESTATE

 **GREGG**

**MORE  
SHOPS,  
MORE  
MOMENTS.**

Our mission is simple – we want Greggs to be accessible, wherever, whenever and however our customers need us. By making our shops the best they can be, we can ensure our customers have a brilliant experience when they visit us.

### New shop openings

2024 was a record-breaking year for new shop openings and we were proud to hit our 2,600th shop milestone in November. We continued to grow our presence beyond the high street, opening new shops in high footfall areas, roadsides and travel hubs, including 11 standalone drive-thrus, 11 shops inside large supermarkets, and three new Greggs Outlet shops. Notable openings in travel hubs included three in Glasgow (at Queen Street, Central and Motherwell railway stations), Embankment London Underground station, our second shop at London Bridge station and Blackpool Tram Station. We also opened six shops in Northern Ireland, taking the total there to 23, and we have a strong pipeline for 2025 and beyond.

### Bigger and better shops through refits and relocations

In addition to growing our estate through new shop openings, we want to ensure our existing shops are the best they can be. Through our dedicated refit programme, we refurbished, reconfigured or extended 165 sites to make them more modern and appealing, as well as better set up to support our multi-channel approach.

# 48.5%

## of shops

now in locations such as petrol forecourts, roadsides, retail parks, supermarkets, universities and hospitals



Our estate strategy also means moving some shops to better locations. By relocating a shop to a bigger and better site, we are able to increase coffee shop seating and better meet the needs of Click + Collect customers and delivery drivers collecting orders, whilst also offering the best experience for walk-in customers. In these locations, our customer base is already well-established and further investment unlocks swift, profitable growth. Relocations will remain a strategic priority as we aim to grow our multi-channel offer and strengthen our estate. This year, we completed 165 refits (125 company-managed and 40 franchised) and 53 relocations.

### Increasing customer reach through our franchise and wholesale partners

Our partners play an important role in providing access to restricted locations such as motorway service areas, petrol filling stations and other closed catchments. We were proud to celebrate the opening of MFG's 100th franchised shop with us this year and the opening of two franchise shops in hospitals at Whiston Hospital and Midland Metropolitan University Hospital – both with Compass. In 2024, we opened 63 new franchise shops, taking the franchise estate to 561 locations.

In 2024, we celebrated 13 years of our partnership with Iceland Foods. We successfully launched a calendar of rotational savoury bakes, tailored to align with Iceland's customer demographics.

## 2025 PLANS



The pipeline of new shop opportunities remains strong, and we expect to open between 140 and 150 net new shops in 2025, including drive-thrus, in travel hubs, and at supermarket locations; we estimate that around a third of these will be with franchise partners.

We will also focus on providing bigger and better shops to serve all channels by targeting around 50 relocations and circa 160 refits.

As part of our ongoing commitments set out in The Greggs Pledge, we plan to open more Greggs Outlet shops and continue the roll-out of our Eco-Shop elements. New and improved environmentally-friendly equipment is being invented all the time so, in 2024, we created a design for our next generation Eco-Shop, which we plan to build in the first half of 2025. This second Eco-Shop will not only be an additional testbed for new equipment that will help us to save energy and water and reduce waste, but it will also allow us to factor sustainability into the build of a new drive-thru unit.

# 226

(2023: 220)  
record new shops  
opened in the year  
(gross openings)

# 165

(2023: 122)  
refits completed  
in 2024

**CLICK,  
COLLECT,  
COSY NIGHT IN.**



**Thanks to Click + Collect, the Greggs App and our delivery partners, Greggs is truly a multi-channel retailer, meaning we can give our customers what they want, where and when they want it.**

During 2024, we continued to extend the reach of our delivery partnerships with Just Eat and Uber Eats, reaching more customers at home and in the evenings, and tested and introduced new products – particularly hot food – to provide the types of food-on-the-go that people want, no matter the time of the day.

### Growing our delivery offer

Four years on from the launch of our partnership with Just Eat, and just one year since we added Uber Eats as a delivery partner, we now offer delivery from more than 1,550 shops. Delivery made up 6.7% (2023: 5.6%) of total sales in 2024, with customers' typical basket size being more than twice that of walk-in customers.

Our focus during the year was on making our operational procedures smoother and streamlining our menu. We have reduced the number of different items on our online menu to make it easier for our customers to scroll through the options and make selections. We have also made things more straightforward for our colleagues by using technology to streamline processes and improve service levels.

### Rewarding loyalty with the Greggs App

The number of customers downloading the Greggs App continues to rise and it was scanned at 20.1% of transactions in company-managed shops during 2024. A key driver of growth has been Greggs Rewards, where we reward App users who collect nine stamps in a category by giving them their tenth item free.



We reward customers' loyalty in other ways too, giving them unique access to special products and events. When we launched our Baked in Gold jewellery range and our Greggs Top Trumps cards, users of the App had a 30-minute head start on the general public. For special events, we use geo-targeting to contact top App users in a particular area and ask them to register for the event (on a first-come, first-served basis). App users were invited to a sommelier event at the Greggs Champagne Bar at Fenwick, to the launch event of our Baked in Gold jewellery, and to join a prize draw to win an all-expenses-paid trip to Ibiza to attend Capital Dance Weekender, in partnership with Greggs.

The functionality of the App is also increasing uptake, with users rating it 4.8 out of five on both on both Google Play Store and Apple's App Store. At numerous points in 2024, the Greggs App held the top spot for free Food and Drink apps on the Apple App Store and Google Play Store.

### Click + Collect

We invite our customers to use Click + Collect through both the Greggs App and our website – enabling them to browse our menu easily, personalise their order and skip the queues. Click + Collect improves sales by making it easier for customers to trade up and speeds up service by removing payment at the till.

During 2024, we completed a review on the potential for Click + Collect to support our strategy for made-to-order burgers, wraps and pizza. In addition to offering sausage, bacon and egg rolls, and baguettes at breakfast, we are now able to customise orders of Fish Finger Wraps, Fish Finger Sandwiches, Chicken Wraps and Chicken Burgers at 140 shops. As this is extended to more shops, Click + Collect offers a real opportunity to bring speed and convenience to our customisable products.

## 2025 PLANS



We will continue to explore the potential for further growth in home delivery, growing order volume where our delivery partners already operate, and working with them to add new shops.

We are always looking for ways to make our processes better and are now working on providing our delivery customers with more accurate estimations of courier arrival times.

We remain committed to innovating to make sure our range is right for our delivery channel. This includes trialling hot Meal Boxes and Crispy Chicken Bites, and capitalising on the extension of our made-to-order range.

**1,550+**  
(2023: 1,440+)  
shops now have  
delivery available

**20.1%**  
transactions accompanied  
by an App scan in  
company-managed shops

OUR STRATEGY IN ACTION CONTINUED  
EXTENDING EVENING TRADE



# LATE NIGHTS, TASTY BITES.

**We have made excellent progress with our five-year evening trade growth plan. Evening sales now represent 9.0% of company-managed shop sales, making it our fastest-growing daypart.**

By further developing our evening menu proposition to meet customer expectations for both walk-in and digital channels, we believe we can unlock greater opportunity in the years ahead.

### Menu

Our hot food range, particularly our Spicy BBQ Chicken Bites, Southern Fried Chicken Goujons, Mozzarella and Cheddar Bites, and Southern Fried Potato Wedges, continue to perform well in the evening. We introduced a new pizza option, BBQ Chicken & Bacon, and our pizza sharing boxes are now available in both four-slice and six-slice boxes.



Our made-to-order hot food trials have been extended to additional shops and now include the Fish Finger Sandwich and Fish Finger Wrap, alongside our existing range of chicken burgers and wraps. As ever, Greggs value for money offering shines through, with customers able to enjoy a Chicken Wrap as part of a meal deal, with wedges and a drink from £5.00. Our made-to-order products are also available for our customers to purchase using our Click + Collect service.

We plan to introduce these made-to-order options at a further 200 locations by the end of the first quarter of 2025.

Our new over-ice drinks range, including Iced Latte and Iced Cloudy Lemonade, is proving popular with customers and is now available in 1,175 shops. We have also launched chilled 'Ready-to-Drink' Latte and Caramel Latte canned products, further extending the choice in our drinks range.

We continue to offer hot sweet treats in the evening, making these core products appealing to the evening market, and our Hot Chocolate Brownies and Hot Milk Chocolate Cookies served with a chocolate or salted caramel dipping pot remain popular with customers.

### Our delivery partnerships

We launched our partnership with Just Eat in 2020 and, since then, have rolled it out to around 1,500 shops nationwide. In October 2023, Uber Eats became our second delivery partner and we now have more than 1,260 shops on the platform. We look forward to maximising the opportunities that lie ahead as we extend our reach and further grow the delivery side of our business.

Home delivery is key to our plans for extended trading, and we intend to expand delivery in the coming year. Around 1,550 of our evening shops now offer a delivery service after 6pm and we will add more locations and menu choices to strengthen this proposition further.



## 2025 PLANS



We will further explore our evening menu proposition to meet customer expectations for both walk-in and digital channels.

We will look for ways to reward evening customers and expect evening to remain our strongest-growing daypart in the year ahead.

## 9.0%

(2023: 8.5%)  
evening sales as  
percentage of company-  
managed shop sales

## 1,175

(2023: 20)  
shops serving  
over-ice drinks

OUR STRATEGY IN ACTION CONTINUED  
INVESTING IN OUR SUPPLY CHAIN AND TECHNOLOGY FOR A BIGGER BUSINESS

# INVESTING FOR OUR FUTURE.

**Greggs supply chain has evolved through the acquisition of regional bakery businesses. As recently as 2015, a typical Greggs manufacturing site was making almost every one of our products on labour-intensive production lines. Today, our consolidated and centralised model has seen a step-change in our cost structures and improvements in both quality and capacity, underpinning the growth in our shop estate.**

As our shop estate grows, our supply chain operations must be ready to meet that increased demand. In 2021, we set an ambition to have significantly more than 3,000 shops. As we near that number, we are now looking even further ahead.

#### Increasing our production capability

In 2024, our new savoury production line at Balliol Park became operational, increasing the volume of bakes and rolls we can produce by 35%. We also completed work at both our Birmingham and Amesbury logistics hubs, adding a larger site freezer to the former, and extending and streamlining operations at the latter, enabling us to serve another 300 shops.

In 2024, we signed agreements for two new state-of-the-art sites in the Midlands, which will allow us to support a total estate of up to 3,500 shops, with developable white space, meaning we have the space to grow further still. We will commission a new 23-acre operation at SmartParc in Derby at the end of 2026, which will be both a manufacturing and logistics facility. It will comprise an automated cold store and will utilise automated picking down to shop level, freeing capacity at our Radial Distribution Centres, where shop picking is currently a manual operation.

The second site, in Symmetry Park, Kettering, will be operational by early 2027. This new National Distribution Centre will be for both ambient and chilled goods and, like Derby, will enable upstream picking to shop level and increase throughput in our whole supply chain.

#### Keeping our shops at the cutting edge

In addition to using automation technology in our supply chain, we see it having a key role in the retail side of our business too. We want to make our people's jobs as easy as possible to let them focus on delivering excellent customer service.

During 2024, we moved most shops to a new version of our till, which improves how we manage pricing and promotions. We also introduced a new solution for colleague scheduling to make it easier for managers to assign shifts, and for their teams to get advance notice of each week's hours.

Good connectivity is key and, this year, we have invested in full fibre broadband at every shop where it is available. We want to ensure we are using the most efficient technology available and have upgraded our chip and pin devices to the latest version, as well as offering our franchise partners an integrated till and chip and pin solution to improve their efficiency.

#### Investing in our systems

The scale of our business means we use sophisticated systems to process data and manage complexity while providing our people with simple interfaces.



During 2024, we successfully migrated all our core SAP Business Suite solutions, including payroll, to the cloud and began a multi-year programme to migrate to the new SAP S/4HANA solution. This enterprise resource planning software system improves how we access, generate and use data to drive our business forwards.

## 2025 PLANS



The construction of our two new sites in the Midlands is now underway. The Derby site is leased, and the landlord has already completed their phase of construction; the building itself is complete and internal fit-out is now underway. We will take operational control of the site in early 2026. In January 2025 we completed the purchase of the land for the Kettering site and have begun building the facility which is expected to be operational by early 2027.

We will continue the transition to SAP S/4HANA, which will use AI and analytics to streamline our processes.

## 35%

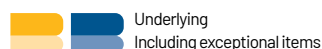
**increase in production capacity at Balliol Park from additional line**

## 3,500

**shops can be supported when new supply sites come online**

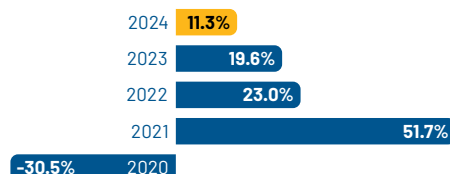
## KEY PERFORMANCE INDICATORS

We use eight financial key performance indicators (KPIs) to monitor the performance of the Group against our strategy. The definition of these KPIs and our performance over the last five years is detailed below. Details of our non-financial KPIs relating to carbon emissions are given on page 58.



### TOTAL SALES GROWTH

**11.3%**



#### What this means

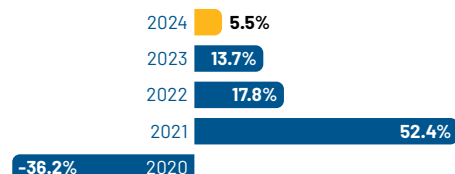
The percentage year-on-year change in total sales for the Group.

#### Why this is important

This is a measure of the absolute growth of the Group.

### LIKE-FOR-LIKE SALES GROWTH

**5.5%**



#### What this means

Compares year-on-year cash sales in our company-managed shops, with more than one calendar year's trading history. Like-for-like sales growth includes selling price inflation and excludes VAT. The impact of shop refits is included in like-for-like sales growth. The calculation of these figures can be found on page 172.

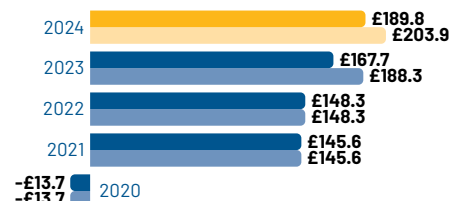
#### Why this is important

This measure provides valuable additional information on the underlying sales performance of the business and is a key measure used internally.

Results for 2020 were significantly impacted by the closure of the Greggs shop estate for most of the second quarter as a result of the Covid-19 pandemic.

### PROFIT BEFORE TAX (£m)

**£189.8m**



#### What this means

Reflects the performance of the Group before taxation impacts and the underlying measure excludes any exceptional items arising in the year.

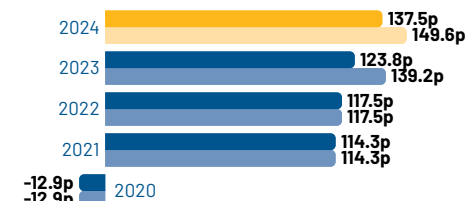
#### Why this is important

This is a measure of the absolute performance of the Group.

All of the non-GAAP measures detailed (other than like-for-like sales growth calculated on page 172) can be calculated from the GAAP measures included in the Annual Accounts. All of the underlying measures exclude the exceptional items detailed in Note 4 to the accounts. Commentary on these KPIs is contained within the Financial Review.

### DILUTED EARNINGS PER SHARE

**137.5p**



#### What this means

Calculated by dividing profit attributable to shareholders by the average number of dilutive outstanding shares (as detailed in Note 9 to the accounts). The underlying measure excludes any exceptional items arising in the year.

#### Why this is important

This measure reflects the underlying earnings for each share in the Company.

### NET CASH INFLOW FROM OPERATING ACTIVITIES AFTER LEASE PAYMENTS (£M)

# £254.2m



#### What this means

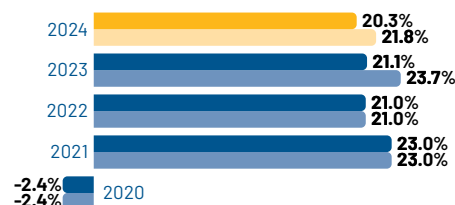
Operating profit adjusted for the impact of non-cash items, working capital movements and repayment of the principal on lease liabilities. The calculation of these figures can be found on page 173.

#### Why this is important

This represents cash flows that could be used for distribution of dividends or to fund our strategic objectives and is reflective of the strong cash-generative nature of the business.

### RETURN ON CAPITAL EMPLOYED (ROCE)

# 20.3%



#### What this means

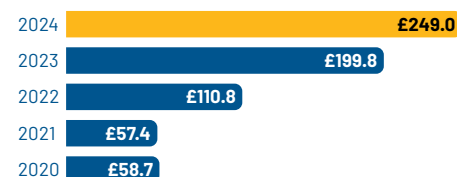
Calculated by dividing profit before tax by the average total assets less current liabilities for the year. The underlying measure excludes any exceptional items arising in the year. The calculation of these figures can be found on page 173.

#### Why this is important

This is a measure of the return generated on capital invested by the Group and provides a guide to how efficiently we are generating profit with the assets used in the business.

### CAPITAL EXPENDITURE (£M)

# £249.0m



#### What this means

The total amount incurred in the year on investment in fixed assets.

#### Why this is important

This reflects the ongoing investment in the business over time.

### LIQUIDITY (£M)

# £225.3m



#### What this means

This is calculated as cash and cash equivalents plus undrawn committed facilities, taking into account required minimum liquidity covenants.

#### Why this is important

This measure provides useful information on the Group's net financial position, indicating its ability to meet its short-term obligations, invest in the business and return value to its shareholders by way of dividend.

# 33,000



## AMAZING COLLEAGUES

Our people are what makes Greggs successful. We want to provide a great place to work, where our colleagues feel valued, can be themselves and want to stay with us – and where new people are excited to join us.

Our culture and our values are what makes Greggs, Greggs. As we grow, we keep these at the heart of every decision we make. We talk about our unique culture being our 'secret sauce', because when people enjoy coming into work, they do a better job, and that makes Greggs a stronger, better business.

## OUR PEOPLE LISTENING TO OUR COLLEAGUES

# LISTENING TO OUR COLLEAGUES

Listening to our colleagues and engaging with them to hear their views and opinions is key to ensuring that everyone feels valued. We do this in a variety of ways:

### Union relationship, structure and engagement

As part of Greggs longstanding national recognition agreement with the Bakers Food and Allied Workers Union (BFAWU) and Union of Shop, Distributive and Allied Workers (USDAW) in Scotland, regular meetings are held covering a variety of topics, including trading, strategic initiatives, The Greggs Pledge and annual pay negotiations.

The Greggs Negotiating Committee is our national union forum and is attended by the General Secretary of the BFAWU, a colleague representative from USDAW, and union representatives from across our business. We have two regional forums, the Retail

Partnership Forum and Supply Partnership Forum, to discuss operational issues across the retail estate and our supply sites, which are attended by union representatives from these areas of the business. More locally, every retail region and supply site has a Joint Consultative Committee, where we discuss matters which are specifically relevant to that region or site.

### Your Ideas Matter

We invite colleagues to share their ideas on an internal platform, Your Ideas Matter. Ideas can be submitted across any topic relating to Greggs, and every idea is responded to and can be reviewed and rated by colleagues.

## YOUR OPINION MATTERS

More than 27,000 of our colleagues took part in our annual engagement survey 'Your Opinion Matters', telling us what is working well and what could be improved. With an overall engagement score of 74%, and the majority of colleagues (76%) saying they would recommend Greggs as a great place to work, we know our people are motivated and committed. Our 2024 score was in line with 2023, and we continue to outperform the UK retail benchmark by 4%.

**27,000**  
took part in our annual  
engagement survey  
'Your Opinion Matters'

**76%**  
of colleagues  
recommend Greggs as  
a great place to work

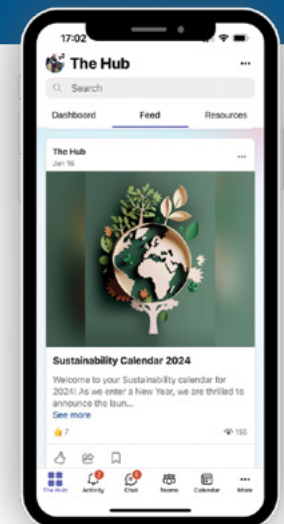
## A VOICE IN THE BOARDROOM

Throughout 2024, the Operating Board welcomed colleagues from each of our teams to share the activities and actions in place locally to support colleague engagement. This continues to form an important part of our engagement agenda for 2025.

The Board regularly engages with our colleagues through their attendance at a variety of listening groups across retail, supply and central support teams as well as visits to our shops and supply sites. Find out how the Board has engaged with all stakeholders in our s172 statement on pages 81 to 87.

## THE HUB

The Hub, which all colleagues can access through Microsoft Teams, includes our very own Greggs newsfeed. We also use The Hub to celebrate events and share colleagues' stories as part of our wellbeing and inclusion activity.



# NURTURING AN INCLUSIVE GREGGS

We are proud that we achieved the National Equality Standard in 2022, and we will be assessed for re-accreditation in 2025. We embrace diversity across Greggs and work hard to ensure we are truly inclusive.

### Colleague inclusion networks

Our three inclusion networks (REACH, ENABLE, PRIDE), each of which has two Operating Board sponsors, have developed further during 2024. In September, we held our first Inclusion Conference, celebrating our achievements so far and exploring opportunities to improve. The networks provide a safe space for minority communities and allies, as well as supporting our diversity and inclusion agenda by sharing feedback, celebrating events and taking an active part in the delivery of training.

### Ensuring diversity across our development programmes

We've identified two key programmes within our Career Pathways, which offer the greatest opportunity for a diverse range of applicants, to support our ambition of creating a more ethnically diverse talent pipeline:

- Aspiring Leaders – designed for colleagues who have the potential to progress into a management role.
- Future Shop Leaders – our programme aimed at our shop supervisors with the potential to become a shop manager.

We analyse the diversity data for the applicant pool for each of these programmes to better understand the demographics in each area of the business. We work hard to ensure each programme is representative of the applicant pools.

During 2024, we launched our Inclusive Mentoring scheme, which provides enhanced support for colleagues from an ethnic minority background, specifically aimed at those who are participating in either of these programmes.

### Achieving greater ethnic diversity

By the end of 2027, we want people from an ethnic minority background to make up 6% of our senior management defined as our Operating Board and those in management positions reporting directly to them. We defined this target after reviewing data from the most recent census for the North East of England (where the majority of our senior management roles are located), as well as data on the ethnic diversity of the UK retail sector, and the ethnic diversity of our talent pipeline. When we consider our current representation at the senior management level, and the potential vacancy opportunities, we feel this target is stretching but appropriate.

## ACHIEVING GREATER ETHNIC DIVERSITY

We recognise that we need to continue to work hard to achieve greater ethnic diversity in our management population, and into the most senior roles in the business. As we have outlined, we are fully committed to this through ensuring diversity across our Career Pathway programmes and providing mentoring opportunities.

### GENDER BREAKDOWN OF TOTAL WORKFORCE

	62.2%	37.1%	
	Female	Male	
	20,756	12,390	
	Female	Male	Ethnically diverse
Board	4	4	1
Senior Managers <sup>1</sup>	22	30	1
Senior Managers <sup>2</sup>	61	78	4
Other Managers	335	342	50
All colleagues	20,756	12,390	6,309

<sup>1</sup> Defined as Operating Board Directors plus Senior Managers directly reporting into an Operating Board Director.

<sup>2</sup> All Senior Managers.

#### Notes:

- Headcount figures as at 28 December 2024. 62.2% of total workforce is female – 20,756 of 33,377.
- As an inclusive organisation, we recognise all gender identities and understand that not all our colleagues will identify as male or female. There are 231 colleagues whose gender is recorded as 'Other', 'Unknown' or 'Undeclared', hence the total figure of 33,377 is not the sum of the female and male totals presented in the table.

### Championing women in our workforce

We are proud of our reputation for bringing the best talent through the business regardless of gender, and the fact that 62% of our total workforce is female. Women make up almost half of the total management population at Greggs and hold 44% of our senior management roles. We have great female representation on our Board too and have already achieved the external FTSE Women Leaders target of 40% by 2025.

Our Women's Development Network, which has been running since 2018, continues to flourish and has now had 89 participants, with over 23% of attendees being promoted into more senior roles in the business.

### Pay gap reporting

In 2024, our mean gender pay gap was 8.33% (down 2.16% on 2023) and our median gender pay gap was 3.68% (up 0.44%).

Like many similar organisations, our gender pay gap is a consequence of having more males than females in our most senior roles, more females than males in our hourly-paid retail roles, and more males in our hourly-paid roles in supply chain, where shift premiums are applicable.

Our Ethnicity Pay Gap Report shows the difference in the average hourly rate of pay of ethnically diverse colleagues compared to that of white colleagues. We published our ethnicity pay gap for the first time in our 2023 Annual Report. Our 2024 mean ethnicity gap is 3.94% (5.78% in 2023) and our median ethnicity pay gap is 3.7% (2.13% in 2023).



Further details are available in our 2024 Pay Gap Report

### Supporting people to have a 'Fresh Start'

Our Fresh Start programme proactively offers training and work experience to people transitioning into work who we would not ordinarily meet, including care leavers, people who have been unemployed for a long time, or those leaving the armed services or prison. We provide employability workshops, mentoring, mock interviews, placements and – most importantly – sustainable job opportunities to candidates. Since launching the programme in 2013, we have placed more than 360 Fresh Start candidates in permanent roles – 16 of whom have since moved into a shop manager role.

We are also very proud of our partnership with Workfit, an organisation that supports people with Down's syndrome to access employment opportunities. Since the start of our relationship, we have offered 24 permanent roles to candidates who completed successful placements with us.

Our employability programmes are good for individuals, and we know they have a positive impact on their families and communities – as well as on our colleagues.



# SUPPORTING OUR GREGGS FAMILY

Our health and wellbeing strategy – which we call ‘Balanced You’ – promotes information and activity in four main areas: healthy eating and drinking; keeping active and physically well; support and community; and positive mental wellbeing.

We have a Balanced You Steering Group, which is sponsored by two Operating Board Directors and includes representation from across the business at a senior level. Our Balanced You Advocates support colleagues by sharing information and arranging activities focused on health and wellbeing.

Building on the launch of our new health and wellbeing app in 2023, we have extended this provision to provide a total wellbeing solution to all colleagues which includes access to a 24/7 helpline, remote GP appointments, mental health support, physiotherapy, financial and legal support, personal training, nutritional consultations and cancer support.

We have a suite of digital learning modules designed to support both colleagues and line managers to recognise signs and symptoms of mental ill health, support conversations and signpost to the available support, all of which is supported by our mental health policy. In our ‘Your Opinion Matters’ survey, 80% of our colleagues told us that they are aware of the mental health support provided by Greggs and know how to access it. During 2024, we partnered with Mind to deliver Mental Health Champion training to our Balanced You Advocates.

Following the successful launch of our menopause policy and online learning modules, we have continued to support colleagues through our virtual menopause cafés, providing a space to connect, share and learn.



## DEVELOPING OUR PEOPLE

**Greggs continues to be a company in growth, meaning we need a strong pipeline of great people who can build a successful career in Greggs. We have a series of development programmes to support our colleagues. These, combined with our succession plan process, means we can meet the needs of our people and our growing business.**

In retail, we run two key development programmes: Future Area Leaders and Future Shop Leaders. During 2024, we promoted 734 team members to shop supervisors, over 330 shop supervisors to shop managers, and 12 shop managers were promoted into area/trainee manager roles.

For our supply colleagues, we have our Striving for Excellence programme to develop the people management and leadership skills of our supervisors and managers.

In 2024 this programme has supported the development of over 35 managers and supervisors.

Our supply team leaders, in turn, attend a programme of four modules called Journey To Excellence to develop skills in some of the fundamentals of team leadership such as welcoming and training a new member of the team.

For our management teams, we run Career Pathways and Core Management Development modules. In 2024, more than 170 colleagues participated in our ‘Aspiring’ and ‘Developing’ leaders programme and over 220 colleagues participated in a ‘Core Management and Development’ module.

We also expanded our Apprenticeship scheme to include opportunities in procurement and food technology, and launched over 240 new items of digital content.

## REWARDING OUR COLLEAGUES

### Ensuring colleagues share in our success

We believe that rewarding colleagues for their contribution and allowing them to share in the success of the business is critical to support our growth. Each year, 10% of profits is shared with colleagues who have at least six months' service.

### Ensuring colleagues share in our success

During 2024, we provided the opportunity for colleagues to participate in colleague share ownership schemes through a Sharesave plan, giving them the opportunity to save for three years and purchase shares at a 20% discount. We also have a Share Incentive Plan (SIP) which coincides with the payment of profit share to provide colleagues with the option to invest in Greggs. We are committed to increasing colleague participation in our share plans to support retention and engagement, and in 2024, we reduced the length of service requirement for both schemes from 12 to three months. Across these schemes we now have 5,444 participants, which represents nearly 23% of the eligible colleague population.

### Helping our colleagues make their money go further

All colleagues can access their colleague discount through the Greggs App. Over 80% of colleagues now access their discount in this way, enjoying 50% off Greggs products and 25% off branded products. Our colleagues also have access to our health and wellbeing app, which enables colleagues to access high street and supermarket discounts to support them with their everyday costs. To help our people in retail with the cost of living, we continue to offer our 'Magic Bag' scheme, giving colleagues big discounts on any unsold product at the end of each trading day.

## PAYING OUR COLLEAGUES FAIRLY

Every year, to determine the annual pay award, we undertake negotiations with the relevant trade unions representing those colleagues covered by a collective bargaining agreement. Following the successful conclusion of the resulting ballot, our retail, supply and support teams receive a pay increase with effect from January in any year.

For 2025 we have once again implemented a tiered pay award providing a greater percentage increase to support our colleagues on our lower rates of pay who have less disposable income. We implemented a base increase of 3.5% across our wider workforce plus an additional 3.3% (6.8% in total) for our retail team members and an additional 2.6% (6.1% in total) for our production and warehouse operatives. Additional increases were also offered to our retail supervisors – an additional 2.8% (6.3% in total) – and team leaders in supply – an additional 2.1% (5.6% in total) – in order to protect the differentials between roles. We also continue to pay breaks to our front line colleagues across the business in both retail and supply supporting their wellbeing.

On this basis, 84.6% of our workforce received a pay increase of 6.1% or more and 85.7% received 5.6% or more.

We pay our retail and supply colleagues weekly, which helps them with budgeting and managing their bills on a week-to-week basis. We do not offer zero-hours contracts, and we regularly review worked hours, increasing contracts for colleagues where they have consistently worked above their contract base and wish to increase their contractual hours. We are proud to be one of the few employers that continues to provide paid breaks.

**over 84%**

**of our workforce received a pay increase of 6.1% or more**



### Supporting our colleagues to save for their future

To support colleagues to save for their future, we increased our matched contribution rates for our Greggs pension in 2024 to 6% and we have extended this further to 7% from January 2025, meaning that all our colleagues can now access up to 7% employer contributions.

# 85+

**YEARS OF  
DOING GOOD**



**In February 2021, we launched The Greggs Pledge, which declared 10 commitments to help make the world a better place by the end of 2025, and beyond.**

We have always been committed to doing the right thing, but we wanted to be more specific about how we channel our efforts and resources into doing good. We reflected on what we could do to have the most positive impact on the world around us, and chose to dedicate our efforts to three areas: communities, the planet, and our approach to business. We have set ourselves ten stretching targets to be achieved by the end of 2025. Each of our pledges aligns with at least one of the UN Sustainable Development Goals.

# THE GREGGS PLEDGE



## Building stronger, healthier communities

We pledge to play our part in improving the nation's diet by helping to tackle obesity, providing free breakfasts to school children and giving surplus food to those who need it most.

### 1. Growing Greggs Breakfast Clubs

By the end of 2025, we will support 1,000 school Breakfast Clubs, providing some 70,000 meals each school day.

### 2. Putting an end to food waste

By the end of 2025, we will create 25% less food waste than in 2018 and will continue to work towards 100% of surplus food going to those most in need.

### 3. Supporting our communities

By the end of 2025, we will have 50 Greggs Outlet shops providing affordable food in areas of social deprivation, with a share of profits given to local community organisations.

### 4. Helping our customers make healthier choices

By the end of 2025, 30% of the items on our shelves will be healthier choices, and we will attract customers through education and promotions.



## Safer planet

We pledge to become a carbon-neutral, zero-waste business.

### 5. Going carbon-neutral

By the end of 2025, we will be on our way to achieving carbon neutrality by using 100% renewable energy across all our operations.

### 6. Building the shops of the future

By the end of 2025, 25% of our shops will feature elements from our Eco-Shop 'shop of the future' design.

### 7. Using less packaging

By the end of 2025, we will use 25% less packaging, by weight (as a % of sales), than in 2019 and any remaining packaging will be made from material that is more easily recycled.



## Better business

We pledge to increase the diversity of our workforce, and to use our purchasing power responsibly, with the aim of making things better in our supply chain.

### 8. Embracing diversity

By the end of 2025, our workforce will reflect the communities we serve.

### 9. Sourcing sustainably

By the end of 2025, we will have a robust, responsible sourcing strategy in place and will report annually on progress towards our targets.

### 10. Protecting animal welfare

By the end of 2025, we will secure and maintain Tier 1 in the BBFAW Animal Welfare standard.

# OUR PROGRESS SO FAR

How did we do against our 2024 targets?

- Achieved
- Partially achieved
- Still to be achieved

By the end of 2024,



## 1. Growing Greggs Breakfast Clubs

Achieved 1,015 Breakfast Clubs fed over 75,000 children every school day.



## 2. Putting an end to food waste

Achieved We further reduced the cost of manufacturing waste to 0.18% of sales and increased redistribution of unsold food to 45%. We successfully trialled light van collections of surplus food.



## 3. Supporting our communities

Partially achieved We have 38 Greggs Outlet shops (vs target of 41).



## 4. Helping our customers to make healthier choices

Achieved We maintained over 30% of our range as 'healthier choice' products.



## 5. Going carbon-neutral

Achieved 60% of the gas we use across our operations is from renewable sources. We converted our Enfield distribution depot to use hydrotreated vegetable oil (HVO) as a diesel replacement, meaning we covered over two million miles using a renewable fuel option. We developed our policy to deal with non-renewable electricity usage in serviced locations.

During 2025, we will

Maintain support for the schools in The Greggs Foundation Breakfast Club programme ahead of the transition to universal provision announced by the Government.

Redistribute 47% of unsold food to good causes. Maintain cost of waste in manufacturing operations at 0.2% of sales.

Open seven Outlet shops to take the total to 45.

Maintain our ranging principles to ensure at least 30% of our range are 'healthier choices'.

Increase HVO use across our fleet to 30% of fuel requirement.



## 6. Building the shops of the future

● Over 700 shops (27% of our estate) feature Eco-Shop elements.

Continue to roll out existing Eco-Shop elements across 30% of the estate.



## 7. Using less packaging

● All but two items of our own brand packaging can be more easily recycled\*. We reduced the amount of packaging used within our supply chain by moving to bulk-supply or reusable containers, where options were available.

Move remaining own brand packing to be 'easily recyclable' (with the exception of hot drinks cups).



## 8. Embracing diversity

● Our core development programmes, aimed at supporting our potential future management colleagues, are representative of the ethnic diversity in our regional talent pools.

Complete National Equality Standard reassessment and successfully maintain accreditation.



## 9. Sourcing sustainably

● 100% declared soy in our own operations is certified as sustainable. We are working with meat, egg and dairy suppliers to move all soy in animal feed to be from sustainable sources by the end of 2025. We are using wheat from a regenerative farmed source in our wholemeal bread production.

Continue to work with meat, egg and dairy suppliers to move 100% of soy in animal feed to sustainable sources.



## 10. Protecting animal welfare

● We further improved our chicken welfare standards, with 86.6% reared at a stocking density of less than or equal to 30kg/m<sup>2</sup> and the remainder at less than or equal to 38kg/m<sup>2</sup>. We published and implemented our Chicken Welfare Standard within our Farm Animal Welfare Standard.

Ensure stocking densities of a maximum of 30kg/m<sup>2</sup> for 100% of our chicken sourcing.

\* Excluding hot drinks cups.

# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

## Introduction

The Task Force on Climate-related Financial Disclosures (TCFD) and other climate-related disclosures made in this TCFD Report form part of the Company's Annual Report and Accounts for the 52 weeks ended 28 December 2024, and are consistent with the TCFD recommendations and recommended disclosures. The following pages show our activity to date and our plans and expectations for the future, as required under Listing Rule 6.6.6 (8) and as consistent with The Companies (Strategic Report) (Climate-related Financial Disclosures) Regulations 2022.

Greggs believes that it is compliant with the Listing Rule, with the exception that the disclosure of Scope 3 emissions has been made in respect of 2023 and not 2024 as explained later in the metrics and targets section of this report.

In 2022, we set near-term science-based emissions reduction targets based on a 1.5°C pathway, which were approved by the Science Based Targets initiative (SBTi). These targets are:

- To reduce absolute Scope 1 and 2 greenhouse gas (GHG) emissions 46.2% by 2030 from a 2019 base year; and

- To reduce absolute Scope 3 GHG emissions from purchased goods and services 46.2% within the same timeframe.

During 2024, we repeated our Scope 3 emissions modelling, with the Carbon Trust providing independent assurance. To support our Scope 3 emissions reduction ambition, we have engaged with the suppliers of our most carbon-intensive ingredients, e.g. meat and dairy products, to assess their alignment with our net zero target date and their approach to emissions reduction. Our key requests to those suppliers were that they:

- Demonstrate a public commitment to achieving net zero by no later than 2050; and
- Measure and publicly report their Scope 1, 2 and 3 emissions.

As a consequence of our engagement, we have established that a sizeable proportion of these suppliers are aligned with our requirements and, where suppliers are at the beginning of their journey, we have offered support and guidance to assist them in aligning with our requirements.

Greggs understands the significance of climate change and that we must reduce our own impact and take action to mitigate against climate risk. We believe that improved governance and reporting across all industries and sectors will contribute to the reduction of carbon emissions and assist in the transition to a low-carbon future. This TCFD Report describes our actions over the course of the year and demonstrates how we continue to refine our transition activity going forwards.

Following on from this exercise, we have now identified a number of potential initiatives to reduce our Scope 3 emissions in the future and will evaluate these during 2025.

From a governance perspective, our Net Zero Steering Group, chaired by our Commercial Director, continues to drive our decarbonisation plan. Membership of this steering group includes a number of our Operating Board members as well as senior representatives from our finance, sustainability and procurement teams.

We have modelled the physical risks to our internal supply chain sites based on moderate (i.e. 1.5°C temperature increase by 2040) and high (4.4°C temperature rise by 2100) level impacts of climate change. Outputs from this exercise continue to be reviewed and updated to ensure risks to operations are mitigated.

We have also assessed the transition risks and opportunities based on three potential future scenarios:

- A disorderly transition
- Societal shift
- Agricultural impact

The assessed risks and opportunities have been presented to the Company's Risk Committee. Further detail has been included in the risk management section of the Annual Report on pages 64 to 71.

In 2023, we began including environmental, social and governance (ESG) performance conditions in the long-term incentive awards made to Executive Directors and senior management. For the 2023 award, this is a carbon metric based on the absolute reduction in Scope 1 and 2 emissions over the three-year vesting period of the awards. In 2024, we included a Scope 3 metric based on engagement with our supply chain to drive measurement and reporting of its carbon footprint, and the 2025 award will include a Scope 1 and 2 metric to support ongoing reduction of these emissions. Further details are given in the Directors' Remuneration Report on pages 95 to 118.

Greggs has clear ambitions, as detailed in The Greggs Pledge, to be a net zero business by 2040 across Scopes 1, 2 and 3, and to actively support the British Retail Consortium's (BRC's)

Climate Action Roadmap. The individual targets within this overall ambition and their timeframes are discussed in further detail in the metrics and targets section below.

## Governance

### Board oversight of climate-related risks and opportunities

Our climate governance structure is set out below.

The **Board** has overall responsibility for climate-related risks and opportunities – our approach to climate change is governed at the highest level within our organisation.

The Board has received updates on progress during the year on climate change matters, including the results from our Scope 3 modelling, our science-based targets, and regular reporting on our reduction activities related to our Scope 1 and 2 emissions footprint.

We will continue to appraise climate risks and opportunities with our senior leadership team to ensure ongoing climate knowledge and support for our transition. The Board receives updates via the Audit Committee within the scope of our routine risk reporting.

The Board will continue to oversee the development and delivery of our transition plan in the coming years.

### Management's role in assessing and managing climate-related risks and opportunities

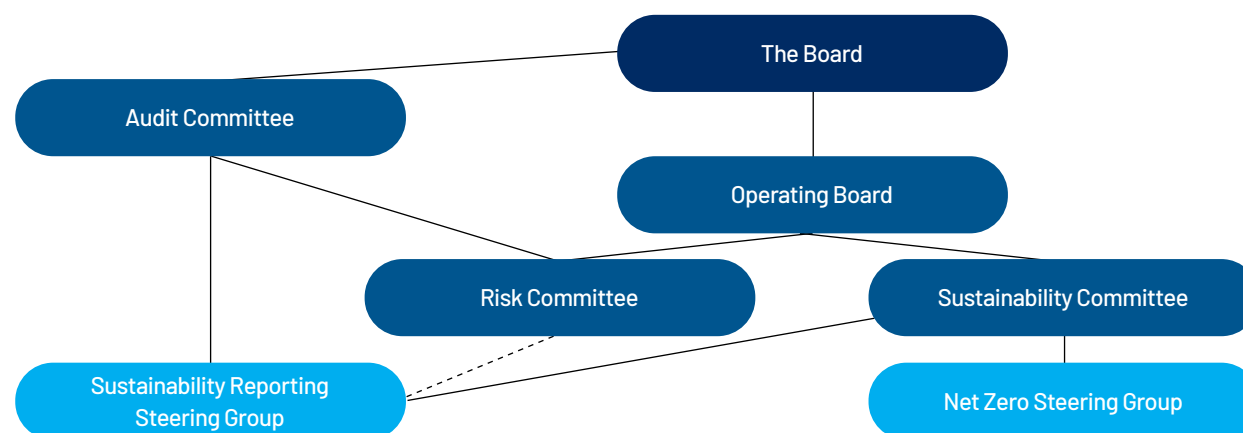
Our **Chief Executive** is ultimately responsible for our sustainability strategy, which includes climate-related risks and opportunities. Strategic progress against relevant targets and commitments is reported to the Board.

Our **Risk Committee**, chaired by our Company Secretary (the membership of which includes all our Operating Board members supported by key functional heads, including our Heads of Business Assurance and Sustainability) is responsible for the ongoing assessment of climate-related risks and mitigating actions. The Risk Committee meets four times a year and climate change is a standing agenda item. Outputs from the Risk Committee are reported into the Company's **Audit Committee**.

We continue to include 'failure to respond effectively to climate-related impacts on our business' as a strategic risk within our strategic risk register. During 2024, we reviewed and updated our physical and transition risks, and this exercise will continue in 2025 to ensure the appropriate level of focus is applied.

Our **Sustainability Committee** is responsible for approving options for the delivery of our climate change strategy. Chaired by our Company Secretary, the membership of this committee includes all our Operating Board members and is supported by the Head of Sustainability, the wider sustainability team and relevant subject matter experts from across the business.

## Our climate governance structure



Our **Net Zero Steering Group** is responsible for identifying and proposing relevant actions to reduce carbon emissions. Once proposals are agreed by the Sustainability Committee, these are formally included in business plans as well as in the personal objectives of relevant senior managers. This ensures a business-wide focus on delivering the required activity.

In 2024, we expanded the role of our **TCFD Steering Group** to incorporate all sustainability reporting and renamed it the **Sustainability Reporting Steering Group**. This will allow us to apply a strategic approach to reporting whilst maintaining our focus on the continual development of our TCFD reporting. This Steering Group is chaired by our Company Secretary and includes senior members of our finance, sustainability, risk and corporate communications teams. This group will continue to support the ongoing development of our net zero transition plan in 2025.

## Strategy

### Climate-related risks and opportunities and their impact

We continue to further develop our understanding of material climate-related risks and opportunities, which fall into two categories – physical and transition.

In this context we consider a material climate-related risk to be one which could have a significant effect on or threaten the resilience of our operations, strategy and financial planning if not managed appropriately, based on our assessment of the likelihood of occurrence. This is in line with the approach we take to risk throughout the business as discussed in more detail in the Risk Management section on pages 64 to 71. We plan to develop a more quantifiable definition through the course of our work in developing our transition plan.

We consider climate change to be a strategic risk to the business within the time horizon for our current strategic plan.

In this context, we consider the following:

- Short-term horizon covers the next two years (2025/2026) in line with our strategic business plan timeline.
- Medium-term horizon is the period from 2027-2030 in line with our near-term Science-Based Targets timeline.
- Long-term horizon is from 2031 onwards.

In 2023, the TCFD Steering Group and the Net Zero Steering Group worked with external advisers to highlight overarching climate-related risks. Throughout 2024, we have continued to further incorporate climate risks into our risk management framework as discussed in the Risk Management section on page 66.

### Physical risks

In 2023, we modelled the physical risks to our manufacturing and distribution sites, our main office locations and a sample of our shops based on:

- **Moderate** (i.e. 1.5°C temperature increase by 2040); and
- **High** (4.4°C temperature increase by 2100) level impacts of climate change.

These scenarios were chosen in conjunction with our advisers and considering the views of colleagues across the business as being the most relevant and plausible to the business. They adopt a narrative-based, mixed methodology approach which included a detailed analysis of data published in climate scientific literature and Government resources, an analysis of publicly available physical risk tools and a statistical analysis of raw climate data outputs from the UK Climate Projections 2018. This approach was undertaken for several reasons: a lack of downscaled data for all scenarios; model disagreement and uncertainties; and the high-level nature of input data for the supply chain.

The output from this modelling suggests that there are limited physical risks to our operations that would have a material financial impact on the Group (assessed in the same way as when preparing the financial statements) in the short to medium term; however, we continue to reassess this to ensure any identified risks to operations are mitigated.

We have considered flood risk in more detail for those sites where the risk has been assessed as above the average, and we continue to review the need for additional flood mitigations. In addition, climate risk is a key consideration when choosing locations for new site development.

### Transition risks

We have also assessed the transition risks and opportunities based on three potential future scenarios:

- **A disorderly transition**, i.e. strong global legislative/policy action to drive change, resulting in widespread carbon taxation or carbon pricing.
- **Societal shift**, i.e. consumers making a significant move to low-carbon diets and towards a circular economy, a regenerative growth model where resources are used in a way that minimises waste and pollution, keeps products and materials in use for as long as possible and regenerates nature.
- **Agricultural impact**, i.e. the effects of climate change across the globe and the resulting impacts on supply chains as extreme weather occurrences increase in frequency and temperature rises begin to have a significant effect.

## Climate-related risks, mitigations and opportunities

Our scenario analysis work, and our wider review/consideration of climate risks, through our embedded risk management framework (see Risk Management section on pages 64 to 71) have identified the following main risks and any potential opportunities. We consider climate-related risks and opportunities when developing our business strategy.

Risk overview	Impact	Mitigation	Time horizon	Nature of risk	Related scenario
Changes to climate-related regulations, including the introduction of carbon taxes.	Higher production costs would need to be offset or passed on to consumers, potentially impacting the value proposition of our products with higher carbon footprints.	We have a varied product range with an increasing number of plant-based products, which offers choice for consumers looking for lower-priced or lower-carbon products.	Medium to long term	Transition	Disorderly transition
Changes in consumer behaviour leading to an increase in the need for more sustainable products.	Inability to meet significant increased consumer demand for more sustainable or weather-appropriate products may lead to loss of sales and/or missed growth opportunities as customers switch to products that meet their needs.	We are already developing our range to contain a higher proportion of plant-based options. Our reputation for being a responsible business provides a solid platform from which to communicate our message.	Medium to long term	Transition	Societal shift
The ongoing availability of sufficient amounts of renewable energy as demand increases.	The energy dependency of our shop and supply chain operations may cause issues in the event of energy rationing/energy availability challenges.	We continue to focus on improving the energy efficiency of our operations and monitoring developments in low-emission technologies.	Medium to long term	Transition	Disorderly transition
The impact of extreme weather events on our own operations and that of our value chain.	We have assessed our own manufacturing and distribution sites and identified six locations with a low to medium risk of riverine flooding. We have also identified three sites where there is a low to medium risk of exposure to spells of extreme heat. In addition, we have identified one site with a risk of longer-term surface flooding.	The geographical diversity of our operations is a key mitigation.  We are working closely with our insurers and risk management team to identify and implement flood risk mitigation measures in sites where risks have been identified. We continue to work with our engineering teams to ensure that cooling and refrigeration systems are maintained and remain able to operate in the event of extreme heat.	Short, medium and long term	Physical	Moderate and high
	Our global supply chain presents a supply risk in the event of more frequent extreme weather events, in terms of product quality, availability and price volatility.	Our procurement team consider climate-related impacts during their routine processes when selecting new suppliers and working with existing ones. We are working with our key suppliers to develop more climate-resilient ingredients as well as reviewing our sourcing regions. In addition, we continue to invest in sustainable agricultural practices.			
Acute and chronic changes in temperature.	Higher temperatures can impact food safety and quality, particularly for perishable items. This can lead to increased spoilage and food waste, affecting both our bottom line and our sustainability goals. Changes in climate patterns can affect agricultural yields, impacting the availability and cost of key ingredients such as wheat, dairy and meat.	To address this, we have implemented advanced cooling systems and temperature monitoring technologies across our shops and warehouses. These systems ensure that our products are stored at optimal temperatures, reducing the risk of spoilage and maintaining food safety standards.  We are working with our key suppliers to develop more climate-resilient ingredients as well as reviewing our sourcing regions. In addition, we continue to invest in sustainable agricultural practices.	Medium to long term	Physical	Moderate and high

Risk overview	Impact	Mitigation	Time horizon	Nature of risk	Related scenario
Physical impact on our retail estate as a result of rising sea levels.	Coastal shops and supply routes are increasingly at risk from rising sea levels, which can lead to flooding and erosion. This poses a long-term threat to our operations in these areas.	Longer-term review of shop locations and relocation as and when appropriate.	Long term	Physical	High
Failure to adopt changes in technologies designed to support improvements in relation to climate change mitigation, carbon reduction and sustainability impacts.	The need to adopt new technologies to reduce emissions and improve sustainability can be costly and complex.	Investment in energy-efficient equipment, renewable energy sources, and sustainable packaging solutions. To ease this transition, we are investing in research and development, collaborating with technology providers, and piloting new technologies. This approach allows us to stay at the forefront of technological advancements and ensure that we are adopting the most effective solutions.	Short to medium term	Transition	Societal
Climate and carbon management strategy is poorly developed, implemented or communicated.	The Group's approach to climate change results in an inability to attract new colleagues.	To attract new talent, we emphasise our commitment to sustainability, which is integrated throughout the organisation and reflects our proactive stance on tackling climate change. This commitment is prominently featured in our recruitment processes.	Medium to long term	Transition	Disorderly / Societal
Failure to deliver effective implementation of ESG strategy.	The Group's failure to deliver an effective ESG strategy results in damage to investor relations and damage to reputation resulting in erosion of brand.	<ul style="list-style-type: none"> <li>We have a sustainability strategy.</li> <li>Ongoing review of investor ESG ratings by the sustainability team.</li> <li>We report on key ESG rating indices.</li> <li>Bi-annual insight surveys across customer base and wider food on the go customer base.</li> <li>Survey results presented to the Sustainability Committee.</li> </ul>	Short, medium and long term	Physical and transition	All

## Opportunities

We have identified the following climate-related opportunities:

### Consumer behaviours

- We constantly review the market for changes in consumer behaviour and have good insight into consumer trends which allows us to be agile in our future product development.
- Our reputation for offering great value and alternatives to meat puts us in a good place to evolve our offer in line with demand.
- Leading in sustainability can differentiate us from competitors, enhancing brand value and customer loyalty. We continue to show leadership in sustainability through visible and impactful initiatives, helping to build a strong and loyal customer base.

### Energy efficiency

- Implementing energy-saving measures, such as energy-efficient appliances, and renewable energy sources, can reduce operational costs and emissions.
- We continue to monitor developments in technologies that support improvements in efficiency.

### Value chain resilience

- Collaborating with suppliers to improve sustainability practices, such as reducing emissions and enhancing resource efficiency, can strengthen our supply chain and reduce risk.
- We continue to work closely with our key strategic suppliers to identify potential improvement opportunities.

## Resilience

Although our scenario analysis will be repeated in future years, we are continuing to discuss the issues already highlighted at the highest levels of the organisation. For example, when examining the results of our physical climate risk assessment, the outcomes have pointed to climate risks in certain parts of the world where some of our suppliers are based, such as Indonesia, Thailand and Brazil. As a consequence of this, we will continue to engage with suppliers in these areas, to understand their adaptation/mitigation plans.

The Transition Plan Taskforce (TPT) published guidance in 2023 on how to develop credible and robust climate transition plans. We are in the process of developing our transition plan, in line with the TPT guidance. To date we have established a clear transition programme for Scopes 1 and 2, and in 2025, will focus on our Scope 3 plan. We will also continue to monitor the development of the International Sustainability Standards Board disclosure standards and their potential adoption by UK regulatory bodies.

## SUPPLIER ENGAGEMENT

We're pleased that many of our suppliers are adopting net zero targets, switching to greener fuels and improving energy efficiency. As a leader, we see ourselves as having a proactive role to play in our supply chain and are encouraging key suppliers to measure and publicly report their carbon footprint and set net zero goals by 2050. Our ambition is for 30% of our supply chain to disclose Scope 1, 2, and 3 emissions by 2027.

To improve Scope 3 accuracy, we request carbon intensity data from key suppliers. In 2024, our Net Zero Steering Group worked directly with suppliers of high-impact products like beef, pork, dairy, cereal and coffee, hosting sessions to share best practice around carbon management and regenerative agriculture, and work will continue in 2025.

### Risk management

#### Identifying and assessing climate-related risks

We have an established risk process for the whole business, as described in the risk management section on pages 64 to 71. Climate-related risks are integrated into our ERM process, so that all our risks are identified, assessed and managed consistently.

#### Managing climate-related risks

Climate-related risk evaluation forms part of the Risk Committee's activity and is now included as a standing agenda item.

#### Integration of climate-related risks into overall risk management

As explained above, we treat our climate-related risks in the same way as all other risks and manage them in line with our ERM framework.

By integrating climate-related risks into our overall risk management framework, we ensure that they are appropriately managed and mitigated. The Risk Committee reviews these risks quarterly, providing oversight of our climate strategy. This approach ensures that we remain resilient and responsive to the evolving climate landscape.

#### Metrics and targets

##### Metrics used to assess climate-related risks and opportunities

We have reported on our Scope 1 and 2 GHG emissions in our Annual Report each year since 2013 and have set out our emissions reduction targets. We now report this data internally on a monthly basis and use it to monitor performance against our reduction targets. In 2023, our near-term science-based targets were approved by the SBTi. Our environmental management system is certificated to ISO 14001:2015 and we disclose our emissions through the Carbon Disclosure Project (CDP).

We regularly report on the proportion of Scope 1 and 2 energy which comes from renewable sources and set targets each year that align with our science-based targets.

Long-term incentive awards made in 2024 to Executive Directors and senior management include an ESG performance condition with a weighting of 10% of the award. It is a carbon metric based on the percentage of our value chain which has set a public net zero date (no later than 2050), and which is measuring and

publicly reporting its full Scope 1, 2 and 3 footprint over the three-year vesting period of the awards.

#### GHG emissions and the related risks

In 2024, we modelled our Scope 3 emissions for 2023 using the GHG Protocol Corporate Standard, World Resources Institute guidance for the land sector as the basis for our calculation. The calculations were reviewed and verified by the Carbon Trust. Our 2023 TCFD Report contains more detail on the methodology that we adopt and how we apply it. Total Scope 3 emissions for 2023 were 861,714 tonnes of carbon dioxide and equivalent gases (CO<sub>2</sub>e) (2022: 784,774 tonnes CO<sub>2</sub>e).

We have included these 2023 emissions in this report as our financial reporting timeframe prohibits full assessment and verification of our 2024 emissions in time for inclusion in this report. We will publish our 2024 emissions on our corporate website in 2025.

We report on our Scope 1 and 2 GHG emissions each year. The detailed disclosures and methodology can be found in the section of this report titled 'Our carbon footprint'.

#### Targets used to manage climate-related risks and opportunities and performance against targets

As part of our strategy to manage climate-related risks, we have committed to becoming a net zero carbon business by 2040 in line with the BRC Climate Action Roadmap:

- Scope 2: Net zero by 2030
- Scope 1: Net zero by 2035
- Scope 3: Net zero by 2040

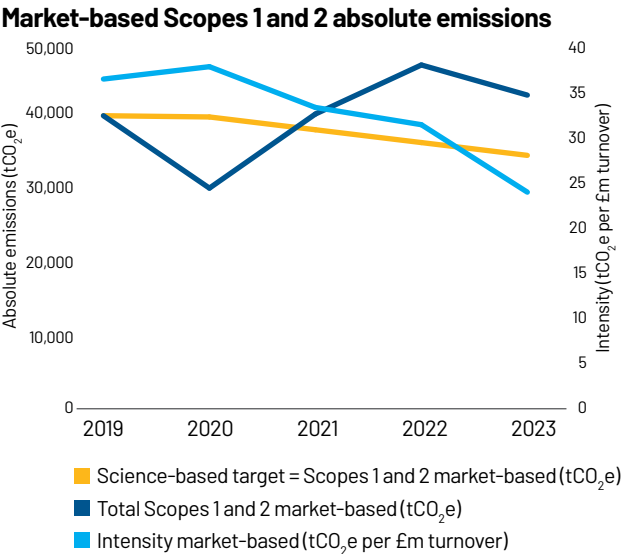
As noted above, we have also set science-based targets to give us a clearly defined pathway to emissions reduction that is aligned to climate science. The commitment to the BRC's roadmap is a more ambitious target – we always strive to achieve the more stretching target.

In 2022, we set near-term science-based emissions reduction targets based on a 1.5°C pathway, which were approved by the SBTi. These targets are:

- To reduce absolute Scope 1 and 2 GHG emissions 46.2% by 2030 from a 2019 base year; and
- To reduce absolute Scope 3 GHG emissions from purchased goods and services 46.2% within the same timeframe.

Performance against these science-based targets is our primary metric at present, although we are introducing additional metrics and targets. The data is presented in the section of this Report titled 'Streamlined Energy and Carbon Reporting' below. Progress against the 2019 science-based target baseline for Scopes 1 and 2 is shown in the graph below along with the intensity measure.

As noted above, we do not yet have a Scope 3 emissions figure for 2024. The outcome of the modelling exercise described above shows that Scope 3 emissions for 2023 were 861,714 tonnes CO<sub>2</sub>e (2022: 784,774 tonnes CO<sub>2</sub>e). The 2019 emissions were recalculated using this more refined methodology where possible, which has resulted in a higher figure for 2019 emissions of 522,453 tonnes CO<sub>2</sub>e



(original 2019 baseline was 491,962 tonnes CO<sub>2</sub>e). The increase from 2019 as rebased is largely as a result of business growth.

We measure and report regularly on the proportion of Scope 1 and 2 energy that comes from renewable sources. Our targets for 2024 were that:

- 100% of the electricity that we buy comes from renewable sources, which was achieved. We have some shops where we are not responsible for purchasing the electricity and in those situations we are encouraging our landlords to change to renewable electricity.
- 60% of the gas we use is from renewable sources, an increase from 30% in 2023 – again this was achieved.
- We would trial the use of HVO in our logistics fleet as an alternative to diesel. We converted one of our major distribution depots which has allowed all of the vehicles based out of that depot to run on HVO.

The two most recent long-term incentive awards made to Executive Directors and senior management (in 2023 and 2024) included carbon-based performance conditions and it is intended that the award to be made in 2025 will have a Scope 1 and 2 emissions reductions performance condition. The conditions are measured at the end of the three-year vesting period of the awards so the first one will be measured in 2026. These performance conditions are as follows:

Date award granted	Performance condition	% of award subject to this condition	Vesting date
May 2023	Based on the Company's reduction in Scope 1 and 2 emissions in line with the reductions required to meet our science-based targets by 2035 from a 2022 base.	10%	May 2026
March 2024	A Scope 3 metric based on engagement with the wider supply chain to drive measurement and public reporting by suppliers of their overall carbon footprint and publicly committing to a net zero target no later than 2050.	10%	March 2027

# ONGOING USE OF RENEWABLES

**In 2024, we increased our renewable gas purchase from 30% to 60% and now install only electric boilers and equipment in new shops, as we phase out gas. While we buy 100% renewable electricity, 6% of our shops are in serviced locations where we lack control over utilities. Our Landlord Recharge Group is encouraging landlords to switch to green power, and we are creating a policy to address non-renewable electricity in these locations.**

**To reduce diesel use in our distribution fleet, we aim to transition to electricity or hydrogen once infrastructure allows. Meanwhile, we've begun converting our fleet to HVO biofuel. In 2024, our Enfield Distribution Centre switched to HVO, cutting 3,000 tonnes of CO<sub>2</sub> across 2.2 million miles. By adding Clydesmill and Manchester sites in 2025, we'll almost triple savings to over 8,000 tonnes, with nearly a third of journeys powered by HVO by year-end.**

We continue to report Scope 1 and 2 footprints in our monthly performance reporting pack. This ensures our senior leadership team has ongoing visibility of the delivery of our reduction strategy.

In 2025, we will develop quantitative metrics and targets for material climate-related risks and opportunities, and incorporate these into our business plan.

### Next steps for Greggs

In 2025, we will continue to deliver reductions in line with our science-based emissions reduction targets for our Scope 1 and 2 emissions while also delivering the second year of our supplier engagement programme to support our Scope 3 emissions reduction. We will review our scenario analysis process to ensure we identify any additional physical or transition risks or opportunities. In addition, we will continue the development of our net zero transition plan, in line with the TPT framework and guidance, with the intention of publishing this in late 2025.

### Our carbon footprint

We disclose our GHG emissions through CDP. We continue to drive efficiencies to further reduce our carbon footprint as we work towards our net zero ambition. In 2024, we reduced our gross location-based intensity (tonnes per £million turnover) impact by 9.4% compared to 2023 (or 42.0% compared to 2019).

**2024 REDUCTION IN GROSS LOCATION-BASED INTENSITY IMPACT  
(TONNES CO<sub>2</sub>e PER £M TURNOVER)**

# 9.41%

Our market-based carbon footprint for the 2024 financial year was 41,710 tonnes of CO<sub>2</sub>e, with an intensity of 20.71 tonnes of CO<sub>2</sub>e per £million turnover, which reflects our efforts in generating and purchasing low-carbon energy.

### Global GHG emissions data

In line with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, we are reporting our GHG emissions as part of our annual Strategic Report. Our GHG reporting year is the same as our financial year, from 31 December 2023 to 28 December 2024. We have reported on all the emission sources which we deem ourselves to be responsible for, as required under those Regulations. These sources fall within our operational control and financial boundaries, and include emissions from manufacturing, retail and distribution sites and the operation of our distribution fleet, all of which are wholly based in the UK. We do not have responsibility for any emission sources that are outside of our operational control. The methodology used to calculate our emissions is based on the GHG Protocol Corporate Accounting and Reporting Standard, Defra Environmental Reporting Guidelines and ISO 14064-3:2019 – Greenhouse gases Part 3 – Specification with guidance for the verification and validation of GHG statements.

### Dual emissions reporting

Overall emissions have been presented to reflect location and market-based methodologies, affecting both Scope 1 and Scope 2 emissions.

### Streamlined Energy and Carbon Reporting

In line with Streamlined Energy and Carbon Reporting requirements, we have also reported on the underlying energy used to calculate our GHG emissions.

Where original data was provided in litres of diesel, gas oil or petrol, it has been converted to kWh. The reporting boundary has been determined by operational control, whereby all emissions have been included within scope, i.e. Scope 1 and Scope 2.

### Energy efficiency initiatives

Greggs is committed to reducing the energy consumption and the carbon impact from its operations. We have set our target of net zero carbon emissions across the organisation by 2040 and have put in place a plan aligned to the BRC's Climate Action Roadmap.

## ECO-SHOP 2

We launched our first Eco-Shop in Northampton in 2022, testing over 20 green initiatives that reduce energy use by a fifth compared to standard shops. New technology is being developed at pace, so in 2024, we designed a next-generation Eco-Shop, planned for construction in early 2025. This shop will test cutting-edge equipment to save energy, conserve water and reduce waste. For example, its refrigeration system will use lower carbon impact refrigerant, reducing global warming potential (GWP) from 1,387 to 146 GWP, below the EU's upcoming 150 GWP limit. Located in Winchester, this drive-thru unit aligns sustainability with our expansion plans, featuring solar panels, rainwater harvesting, a heat pump and eco-friendly cladding.

We have moved to renewable electricity sources across approximately 97% of our estate. In 2024, we further increased the use of biogas as a replacement for natural gas to 60%. This is covered by Renewable Gas Guarantees of Origin certificates. As the GHG Protocol does not recognise any differentiation between natural gas and biogas, the data reported in the table below makes no allowance for this. Using the UK Environmental Reporting Guidelines rather than the GHG Protocol would result in a reduction in Scope 1 emissions of 5,845 tonnes of CO<sub>2</sub>e, (2023: 2,468 tonnes of CO<sub>2</sub>e) using market-based emissions calculations. We continue to investigate other renewable energy sources for our remaining Scope 1 emissions.

In 2024, we measured our 2023 value chain emissions with the Carbon Trust and found that Scope 3 emissions account for 95.3% of all market-based emissions with emissions from Scope 3 purchased goods and services (products) having the biggest impact. We have set near-term Company-wide emissions reduction targets in line with climate science, which have been approved by the SBTi.

We continue to focus our internal teams on energy efficiency and carbon reduction programmes. Since the opening of our first Eco-Shop in 2022, 27.6% of our overall estate now has Eco-Shop initiatives in place. We continue to replace high GWP refrigerants in refrigeration and air conditioning systems with lower GWP refrigerants, and all new refrigeration equipment uses low GWP refrigeration gas as a specification requirement. We have successfully trialled electric refrigeration units on our delivery fleet, replacing diesel-powered refrigeration and we continue to replace existing units with this technology.

Location and market-based emissions		Current reporting year 2024 (tonnes of CO <sub>2</sub> e)	Comparison year 2023 (tonnes of CO <sub>2</sub> e)	Base year 2019 (tonnes of CO <sub>2</sub> e)
Scope 1	Combustion of fuel and operation of facilities	32,172	34,325	33,155
Scope 1	Refrigerants	5,536	5,505	5,513
Scope 2 (location-based)	Electricity purchased for own use (including photovoltaic-generated and green tariff)	58,237	55,318	57,294
Scope 2 (market-based)	Residual electricity	4,002	2,981	2,909
Gross emissions (location-based)	Total Scope 1 and 2 CO <sub>2</sub> e emissions	95,945	95,148	95,962
Gross emissions (market-based)	Total Scope 1 and 2 CO <sub>2</sub> e emissions to account for use of renewable energy	41,710	42,810	41,577
Intensity measure (location-based)	Tonnes of CO <sub>2</sub> per £m turnover	47.63	52.58	82.54
	Percentage change 2024 compared with 2023	-9.41%	-9.13%	-36.29%
Intensity measure (market-based)	Tonnes of CO <sub>2</sub> e per £m turnover	20.71	23.66	35.76
	Intensity percentage change accounting for renewable energy 2024 compared with 2023	-12.47%	-23.73%	-33.84%
Location-based method is provided for disclosure only				
UK Underlying energy use (kWh)				
Total Scope 1 energy use	Combustion of fuel and operation of facilities (natural gas, fleet fuel oils, company cars and LPG)	151,398,269	149,351,211	141,717,583
Total Scope 2 energy use	Electricity	281,789,412	267,160,278	224,154,292
Total energy use (kWh)		433,187,681	416,511,489	365,871,875

We have been awarded the Carbon Trust Route to Net Zero Standard in recognition of our work on carbon efficiency and reduction and our environmental management system is certificated to ISO 14001:2015. In addition, we disclose our GHG emissions through CDP.

# GREGGS DELIVERED ANOTHER GOOD FINANCIAL PERFORMANCE IN 2024.

Greggs delivered another good financial performance in 2024. Sales growth reflected a record number of new shop openings as well as continued progress in developing new channels. The Company's robust balance sheet supports our growth strategy as we invest in the capacity that will enable further growth and strong returns.

Richard Hutton  
Chief Financial Officer



	2024 £m	2023 £m	Variance
Revenue	<b>2,014.4</b>	1,809.6	+11.3%
Underlying operating profit	<b>195.3</b>	171.7	+13.7%
Finance income	<b>8.1</b>	6.1	+32.8%
Finance expense	<b>(13.6)</b>	(10.1)	+34.7%
Underlying profit before tax	<b>189.8</b>	167.7	+13.2%
Exceptional income	<b>14.1</b>	20.6	
Profit before tax	<b>203.9</b>	188.3	+8.3%
Income tax	<b>(50.5)</b>	(45.8)	+10.3%
Profit after tax	<b>153.4</b>	142.5	+7.6%
Underlying diluted earnings per share	<b>137.5p</b>	123.8p	+11.1%
Underlying return on capital employed	<b>20.3%</b>	21.1%	

## Sales

Total Group sales for the 52 weeks ended 28 December 2024 grew by 11.3% to £2,014 million (2023: £1,810 million). Growth was delivered through both new shop openings and like-for-like sales growth in existing shops, reflecting both volume growth and price increases. Total Group revenue reflects sales from company-managed shops, which include delivery sales, and sales through the business-to-business channel to our franchise and grocery wholesale partners.

Reporting 'like-for-like' sales (sales in company-managed shops with more than one calendar year's trading history) is a key alternative performance measure for Greggs, as it shows underlying company-managed estate sales performance excluding the impact of new shop openings and closures. In 2024 like-for-like sales were 5.5% up on 2023. The pattern of like-for-like growth through the year reflected the annualisation of trading hours extension and the roll-out of delivery services with Uber Eats in Q4 2023, along with a generally-tougher market context in the second half of the year. The challenging market context resulted in us not achieving our 2024 target for like-for-like sales growth.

The performance of shops managed by franchise partners proved more resilient to market conditions, being primarily focused on roadside locations. Franchise like-for-like 'system sales' (sales in franchised shops with more than one calendar year's trading history) grew by 7.4% in 2024, reflecting growing consumer use of these locations and trading hours extension to serve later dayparts.

### Profit for the year

Underlying operating profit (profit before finance income and expense, exceptional income and tax) was £195.3 million in 2024 (2023: £171.7 million). After financing costs and exceptional income profit before taxation was £203.9 million in 2024 (2023: £188.3 million). The strong profit progression reflected overall sales growth supported by good cost control and margin management. Profits included a net exceptional gain of £14.1 million which primarily relates to the sale of our legacy Twickenham supply chain site.

The business experienced overall like-for-like cost inflation of around 4% in 2024. This was primarily driven by employment costs, with food and packaging costs marginally deflationary following the significant increases experienced in 2022 and 2023. Energy costs reduced year-on-year and our shop occupancy cost ratio (shop costs such as rent, rates and service charges as a percentage of sales) was stable.

Looking forward we currently expect overall input cost inflation in 2025 to be around six per cent. Employment cost inflation will again be the biggest driver of higher costs, including the impact of the increase in the National Living Wage and an increase in employer's National Insurance contributions. We have good levels of forward cover for commodity costs, with almost 100% of our electricity requirements fixed for the year and forward purchase agreements in place representing circa five months of our food and packaging needs.

Offering great value to customers is key to our strategic purpose, and we leverage our scale and vertical integration to keep costs low. We have a rolling programme of cost-saving initiatives with the aim of mitigating as much cost pressure as possible, and in 2024 this delivered £10.6 million of savings. Through the programme we look to leverage the scale in our manufacturing operations, completing end-to-end process reviews to realise the benefits of our vertical integration. The strength of our financial covenant and our scale helps us secure the best procurement rates. We also target waste reduction, which aligns with our Greggs Pledge commitments.

To the extent that we cannot mitigate cost inflation through savings, we recover it through careful pricing activity, whilst ensuring that we protect our reputation for offering great value, great quality products. We continually compare our prices with the market across a range of products and ensure that our relative price proposition remains strong, with prices comparable to the grocery sector, but for freshly-prepared food and drink, and at a strong discount compared to other food-to-go specialists.

Following a period of margin investment to support the development of new channels and dayparts we have focused on cost control and strong management of pricing and promotions to improve profitability. This has resulted in an increased underlying operating profit margin of 9.7% in 2024 (2023: 9.5%).

### Investing for growth

We continue to see good returns on new shop openings, including the relocation of existing shops to better premises that enable them to reach their full potential. The scope for further growth in the estate is material and we have set out plans to create capacity in our supply chain to service around 3,500 shops in the medium term, whilst also leaving open options to extend this further.



**We continue to see good returns on new shop openings and are investing in capacity to grow the estate further and expand into new channels, continuing the strategy that has been so successful in recent years."**

This expansion in capacity relies on a number of key investment projects:

- **Completed** – the expansion of manufacturing capacity at Balliol Park in Newcastle, where a fourth production line was commissioned in 2024, increasing capacity for savoury rolls and bakes by 35%.
- **Completed** – extension and refurbishment works at our Amesbury and Birmingham Radial Distribution Centres, completed in 2024, have added capacity to serve an additional 300 shops across the south of the UK.
- **In progress** – our new site in Derby will manufacture and distribute frozen products, bringing automated upstream picking to the Greggs supply chain for the first time. This will help our existing Radial Distribution Centres to support more shops from mid-2026.
- **In progress** – a new National Distribution Centre in Kettering will consolidate our existing operations there for chilled and ambient goods as well as supporting the move to upstream picking in 2027.



These investments collectively take the logistics capacity in our network to around 3,500 shops. We have planned carefully for this phase of growth and are financing the investment from a combination of cash deliberately carried into the programme, a long-term lease of the building at Derby and ongoing cash generation. The impact of stepping up our capacity in this way will increase our capital employed and create additional fixed costs in the short term, with both subsequently utilised as we expand our operations.

Capital employed will progressively build as the sites are developed and brought into use. The cash retained to fund investment has been part of the capital employed in the business in recent years and will remain so as it is converted to fixed assets. In addition, the 25-year lease of the building at Derby was capitalised in 2024 (with a right-of-use asset and liability value of £47 million) ahead of being fitted out with cash-funded assets. We expect the cash-funded capital investment in the Derby site to be £135 million, including the cost of the first production line.

As the programme continues, the asset base will expand further, with capital employed growing ahead of capacity utilisation through to 2027.

Operating costs, primarily depreciation, will increase in steps as the new operations are brought into use. The shell of the Derby site was built in 2024, and work in 2025 will be focused on fitting out the site, installing the automated logistics operations and setting up the site's first production line. We are targeting a logistics 'go live' in the second quarter of 2026 and a production 'go live' in the final quarter of 2026. The land for the Kettering site was purchased in January 2025 at a total cost of £30 million and the focus for this coming year is to build the shell of the building, before fitting this out through 2026. Commissioning at Kettering is due to commence in the final quarter of 2026, with the site expected to be fully operational in the second half of 2027. We expect the cash-funded capital investment in the Kettering site to be a further £105 million following the land purchase.

Whilst carrying cash forward into the current investment programme the business has maximised the opportunity to earn interest income on cash deposits. In 2024 this income totalled £8.1 million and will reduce in 2025 as cash levels normalise.

We plan to utilise the additional capacity created by this investment programme as the business grows its shop numbers in the years ahead. The expanded logistics network will allow for around 900 further net new shops from the starting position in 2025, supporting six to nine years' worth of expansion at recent opening rates (100-150 net shops per annum). The short-term impact will be an increase in fixed costs and a temporary reduction in ROCE.

The additional fixed costs associated with the Derby site are expected to present a circa 40 basis point headwind to operating margin in 2026. A similar additional margin headwind is expected in 2027 as these costs annualise and the Kettering site opens, though this incremental cost will begin to be offset in that year as we continue to grow the shop estate and start to utilise the capacity created. We expect this trend to continue in the following years, to the further benefit of margin and returns. We continue to target a return to a ROCE of circa 20% in the medium term.

### Financing charges

We earned £8.1 million (2023: £6.1 million) of finance income on cash deposits during the year and incurred finance expenses of £13.6 million (2023: £10.1 million) which comprised £13.0 million (2023: £9.6 million) in respect of the IFRS 16 interest charge on lease liabilities and a net £0.6 million (2023: £0.5 million) of facility charges under the Company's (undrawn) financing facilities, interest on the defined benefit pension liability and foreign exchange losses.

### Taxation

The Group has a simple corporate structure, carries out its business entirely in the UK and all taxes are paid here. We aim to act with integrity and transparency in respect of our taxation obligations.

The Group's overall effective tax rate on profit in 2024, including the impact of exceptional items, was 24.8% (2023: 24.3%). The headline rate for the year was 25.0% (2023: 23.5%) following the increase from 19.0% to 25.0% in the corporation tax rate from 1 April 2023. The overall tax rate was lowered by the inclusion of the exceptional gain on disposal of the Twickenham bakery site.

The underlying tax rate for the year was 25.7% (2023: 24.4%) – the year-on-year movement in the underlying rate is almost entirely due to the increase in the headline rate of tax.

We expect the effective tax rate for 2025 to be around 26.0% and going forward the effective rate is expected to remain around one percentage point above the headline corporation tax rate. This is principally explained by expenditure for which no tax relief is available, such as depreciation on properties acquired before the introduction of structures and buildings tax allowances, and acquisition costs relating to new shops.

### Earnings per share and dividend

Underlying diluted earnings per share in 2024 was 137.5 pence (2023: 123.8 pence per share). Including the net exceptional income diluted earnings per share were 149.6 pence (2023: 139.2 pence per share).

The Board recommends a final ordinary dividend of 50.0 pence per share (2023: 46.0 pence per share). Together with the interim dividend of 19.0 pence (2023: 16.0 pence) paid in October 2024, this makes a total ordinary dividend for the year of 69.0 pence per share (2023: 62.0 pence per share). This is covered two times by underlying diluted earnings per share and is in line with our progressive ordinary dividend policy, which aims to increase the dividend in line with growth in underlying earnings per share.

Subject to the approval of shareholders at the AGM, the final ordinary dividend will be paid on 30 May 2025 to shareholders on the register at 2 May 2025.

### Balance sheet

#### Capital expenditure

In line with our plans we invested a total of £249.0 million (2023: £199.8 million) in capital expenditure during 2024. Retail estate expenditure grew as we increased the number of company-managed shop openings and relocations, and completed more shop refurbishments. We also rolled out additional equipment to support sales growth, including ice machines to provide a new range of over-ice drinks to our customers. In our supply chain we completed the commissioning of a fourth production line for our iconic savoury rolls and bakes at Balliol Park in Newcastle and completed the works to extend logistics capacity at our Birmingham and Amesbury Distribution Centres. In addition, we commenced the fit-out phase of the new leased site in Derby, and made some deposit payments in respect of the new Kettering site. IT investment also increased as we began the work to upgrade our ERP system to SAP S/4HANA.

Depreciation and amortisation on property, plant and equipment and intangibles in the year was £80.8 million (2023: £70.5 million). A further £59.2 million (2023: £54.5 million) of depreciation was charged in respect of right-of-use assets on capitalised leases.

As previously communicated, our capital investment will continue at an elevated level until 2026 as we build additional capacity in our supply chain to support our ambitious growth plans, whilst also growing and refurbishing our retail estate. In 2025 we will complete the work to bring into use the logistics capabilities of our new site in Derby, and progress the construction of our new site in Kettering having completed the purchase of the land in early January 2025. We expect the Derby site to be operational in 2026, with the Kettering site following in 2027.

Our shop opening and relocation plans mean that we will invest in circa 160 new company-managed shops in 2025 and refurbish around 120 existing company-managed shops as we modernise older sites and introduce additional facilities to support our growth plans. In our retail estate we continue to target a 25% cash return on investment on new shops and typically exceed

this level after two to three years as shops mature. The focus of the acquisition strategy means we are opening shops that trade longer hours and have higher than average sales and returns. The returns on newly-opened shops remain strong and, being mainly in new catchments, have not impacted on the sales of other shops in the estate.

Overall we expect capital expenditure in 2025 to be around £300 million, with the delay in the purchase of the land for Kettering altering the phasing of previous guidance. We anticipate that capital expenditure will be around £200 million in 2026 before returning to a normalised level beyond this investment phase, where we expect maintenance capital expenditure to be up to 5% of revenue, with additional expenditure deployed to support further growth as required.

### Working capital

We ended the year with Group net current liabilities of £67.3 million (2023: net current assets of £25.4 million) as our cash and cash equivalents balance reduced as we progressed with our capital investment plans. Stock and debtor levels increased primarily due to sales growth. The net current liabilities position reflects supplier funding as we receive payment from company-managed shop customers ahead of paying suppliers on standard terms.



### Pension scheme

During the year the Company made a special contribution of £4.5 million to its closed defined benefit pension scheme, which facilitated the purchase of a bulk annuity 'buy-in' policy with Aviva. This policy will provide regular payments to the scheme Trustee to fund future pension payments and significantly reduces the Company's exposure to the funding risks associated with its defined benefit pension liabilities.

As a result, the scheme is in a net liability position of £0.4 million (2023: net asset position of £6.6 million), reflecting the largely-derisked position that it now benefits from.

### Cash flow and capital structure

The net cash inflow from operating activities after lease payments in the year was £254.2 million (2023: £257.1 million). The strength of cash generation reflected the growth in profits and the sale of the legacy supply chain site in the year, offset by an increase in tax payments. At the end of the year the Group had net cash and cash equivalents of £125.3 million (2023: £195.3 million).

During the year we refinanced our revolving credit facility for a three-year period to June 2027, with two further one-year extension options. The facility provides liquidity of £100 million in committed funds. Taking this into account, total available liquidity at the end of 2023 was £225.3 million (2023: £265.3 million).

Our approach to capital allocation can be described as a series of priorities:

1. **Invest to adequately maintain the business** in order to support its continued success. As noted above, in normal circumstances we expect maintenance capital expenditure to be up to 5% of revenue.
2. **Maintain a strong balance sheet.** Reflecting the inherent gearing in the Group's leaseholds and working capital we aim, in normal circumstances, to maintain a year-end net cash position of circa 3% of revenue in order to allow for seasonality in the working capital cycle and to protect the interests of all creditors.
3. **Deliver an attractive ordinary dividend** to shareholders. We continue to target a progressive ordinary dividend, normally around two times covered by underlying profit after taxation.
4. **Selectively invest to grow.** As outlined above we intend to continue to make capital investments in excess of the maintenance level in the coming years to support our growth plans
5. **Return surplus cash to shareholders.** Where net cash on the balance sheet exceeds our minimum requirement, taking into account that reserved for growth investments, we expect to return cash to shareholders by way of special dividends.

The Company's current cash position will continue to normalise in 2025 and 2026 as we complete the current investment phase to support our growth plans.

### Looking forward

The significant investments that we are making to support further profitable growth will create short-term ROCE and margin headwinds as we bring important new sites into our supply chain. However, this capacity will enable Greggs to realise the medium-term opportunity to grow its estate and expand into new channels, continuing the strategy that has been so successful in recent years. Throughout this we will maintain a strong financial position and the discipline that has delivered profitable growth and excellent capital returns, to the benefit of all of our stakeholders.

### Richard Hutton

Chief Financial Officer

4 March 2025

# OUR APPROACH TO RISK MANAGEMENT

An effective risk management process is fundamental to protecting our business, our customers and colleagues, and shareholder value, helping us to achieve our strategic priorities.

## Risk management and internal control

To be able to deliver our strategy and make the right decisions for the business, we need to understand and manage our risks. Taking risks in a controlled way can help us to deliver value whilst protecting the business, our people and our reputation. Risks cannot be avoided, but an effective system of risk management ensures that they are mitigated to an acceptable level.

A robust, embedded approach to risk management helps us to react to new risks which emerge, and to take opportunities as they arise.

## Roles and responsibilities

The Board has overall responsibility for risk management, and determines the nature and extent of risks which we are prepared to take in the pursuit of our strategy.

The Audit Committee, on behalf of the Board, maintains oversight of the risk management approach, including reviewing its overall effectiveness on an annual basis, and receiving regular updates on assurance activity.

Risk is overseen by a Risk Committee, which has responsibility for proactively managing risk, and meets quarterly. As a committee of our Operating Board, it has representation from across the entire business.

Our business assurance function supports with the documentation and review of risk, and with the Audit Committee's review process.

THE VARIOUS ROLES WITHIN THE RISK MANAGEMENT PROCESS ARE SET OUT BELOW:

Top down	Who?	Role	Key activities/responsibilities
	<b>The Board</b>	<b>Direction and oversight</b>	Approving policy; overall responsibility for risk management; setting and reviewing risk appetite; embedding the risk management culture; setting the 'tone at the top'.
	<b>Audit Committee</b>	<b>Main Board activities as delegated</b>	Challenge and approval of the principal risks disclosure; oversees risk management systems and controls; annual review of effectiveness of approach.
Bottom up	<b>Operating Board</b>	<b>Ownership and monitoring</b>	Ownership and management of significant risk to reinforce accountability; agreeing and monitoring actions to mitigate risks.
	<b>Risk Committee</b>	<b>Identifying, assessing and monitoring risk</b>	Consideration of new and emerging risks; escalation of functional risks; biannual strategic risk review and validation.
	<b>Business Assurance Team</b>	<b>Independent overview</b>	Managing the risk register; consolidation of significant risks; providing independent assurance over controls as set out in the internal audit plan; monitoring compliance with policy; updating the Audit Committee at each meeting.
	<b>Heads of business functions</b>	<b>Operational risk ownership and implementing actions</b>	Identifying risks which may prevent the achievement of objectives; ongoing review of risks and controls within area of remit; supporting strategic risk owners throughout the risk management process; implementing controls to mitigate risk.
Bottom up	<b>Process owners</b>	<b>Day-to-day business operations</b>	Ensuring that mitigating controls are operating effectively; reporting areas of new and emerging risk; ensuring compliance with policies and procedures.

## Risk management process

Our risk management process is well-established, though it continues to evolve and develop. We have an enterprise-wide risk management policy and framework in place, both of which have been approved by the Board. This provides us with a robust structure and drives a consistent approach.

Our risk process works 'top down' and 'bottom up', as shown in the diagram on page 64. Risks are identified by considering potential events which could prevent the achievement of our objectives.

The Operating Board is responsible for maintaining the overall corporate risk register, which documents the key risks to the business. We conduct a formal review of our key strategic risks twice a year via the Risk Committee, with input from each of the risk owners who have an opportunity to highlight any changes. This allows us to discuss the risk gradings, and ensure that the level of risk remains within the tolerance of our risk appetite. The Risk Committee also considers new risks escalated to it at every meeting, and assesses whether or not these are significant enough to merit inclusion on the strategic risk register.

Each of our heads of business functions is responsible for their own risk register, which is produced in the same manner and format as our corporate register. Functional risk registers are reviewed at least annually. Where a functional risk is considered to be sufficiently significant that it could impact on the wider business, it is escalated to the Risk Committee for further consideration and appropriate action.

The risk process is facilitated by members of the business assurance team, who help to identify and assess key risks, as well as providing support in developing an appropriate risk response. In addition, the team provides an independent view on the controls in place over specific risk areas within the internal audit plan.

Our risk registers capture a description of each risk, and an Operating Board member or a head of business function is allocated as risk owner. Each risk owner is responsible for ensuring that appropriate mitigating controls are in place, as well as identifying actions to further enhance controls where necessary. We record the key controls for each risk, and make an assessment of their effectiveness. The likelihood and impact of each risk arising is then calculated, both before and after the introduction of mitigating controls.

## Developments in 2024

We have reviewed and refocused our Risk Committee agenda to allow more time for discussion and 'deep-dive' topics. A rolling annual agenda ensures that matters such as policy approvals and process reviews are completed when required.

To improve our communication of risk, we have developed a 'risk dashboard', which provides a monthly summary of key issues to the Operating Board, and is drawn up in conjunction with other core functions.

During the year, we completed a fraud risk review in conjunction with an external consultant, who provided guidance on the process. Fraud risks were identified and recorded via workshops attended by the Operating Board and a range of subject matter experts from across the business. Findings were presented back to the Risk Committee for sign-off, and the results have been incorporated into our risk register. This improves our visibility of fraud risk and the effectiveness of associated controls.

We have worked with our insurance broker to assess our risk appetite, in line with best practice, to promote consistency in our approach, and to guide colleagues on acceptable risk levels. We now have ten categories of risk rather than the four previously in use to give greater granularity of the appetite assessment. Our risk appetite is low for all of our categories, driven by a strong commitment to safety, compliance and long-term sustainability.

We have continued to engage with the heads of business Functions, and as noted above, we have fully rolled out our risk registers to a functional level. As part of our regular six-monthly review with risk owners, we have reviewed risk and control descriptions to make sure they remain relevant and accurate. Risk registers have also been compiled for each of our Greggs Pledge commitments.

## Material controls

We have reviewed our risk and internal control framework to establish which elements should be considered 'material controls' and therefore require inclusion in our assurance framework supporting the new UK Corporate Governance Code requirements in due course.

Firstly, we considered all of our strategic and principal risks to establish whether they would cause the business to fail, should they materialise (our 'material risks'). For this list of risks, we then reviewed the associated controls to determine which of those are material (i.e. they would have a significant effect in reducing the impact of the risk, should it materialise). This review has been carried out by small working groups of subject matter experts, then sense checked by the Risk Committee who independently gave a view on material risks and controls.

Discussions are ongoing, and we will continue to refine our approach. Our view on material controls will evolve during 2025 as we evaluate our position. We will engage with the Audit Committee regularly during the coming year.

For any material controls, we will identify and document our assurance sources. Where such assurance is to be sourced internally, we will ensure that appropriate processes are in place to obtain it in a robust and timely manner.

### Climate risks

Our climate-related risks are captured in a consistent manner to all other risks, and are recorded within our strategic and functional registers. Members of our business assurance team participate in our Sustainability Reporting Steering Group to ensure risks and opportunities are considered and recorded. Further details can be found in our TCFD disclosure on pages 50 to 58.

We remain of the view that our strategic risk of 'a failure to respond effectively to climate-related impacts on our business' does not constitute a principal risk within the time horizon of our current plans.

### Emerging risks

We conduct an emerging risk review on a quarterly basis as part of our Risk Committee's rolling agenda. This helps to anticipate change and respond proactively. Various sources of information are used to ensure this is as complete as possible, including:

- Horizon scanning by subject matter experts throughout the business, with issues identified being escalated to our Operating Board via a monthly risk dashboard;
- Engaging with our functional heads to discuss any areas of concern within their remit;
- Monitoring customer and consumer trends; and
- Taking input from our advisers and other specialists with whom we work.

Current areas of emerging and escalating risks which we are monitoring include geopolitical uncertainty, market pressures and consumer demand across the sector. We are undergoing a significant systems upgrade project, which is also being closely monitored as an emerging risk.

Emerging risks are reported to the Board each quarter.

### Changes to principal risk disclosures

A principal risk is a risk or combination of risks that can seriously affect our performance, future prospects or reputation. Not all of our strategic risks are considered to be principal risks, only those which would have a significant impact on our ongoing viability within the timeframe of our strategic plan.

There have been no significant changes to our principal risks during 2024.

The following table sets out the principal risks, shows the movement during the year, and describes the impact and key mitigations. The list is not in priority order, and does not include all the risks which are faced by the business. Other risks which are not included here could also have a negative impact on the business, including those which are not presently known to us. The position described below is a summary at the time of publishing this Annual Report.

## Principal risks and uncertainties

Risk and description	Impact	Key mitigations	Strategic pillars	Movement
<b>OPERATIONAL</b>				
<b>BUSINESS INTERRUPTION EVENT</b>  We could suffer a significant business interruption event impacting one or more of our key locations. For example, a prolonged power outage, denial of access or an incident resulting in physical damage.	We would potentially be unable to meet business requirements to supply our customers for a period of time. This could impact our own customers, including those of our franchise, grocery retail and delivery partners.	<ul style="list-style-type: none"> <li>– We have contingency plans in place for our sites, which are tested periodically. This includes prioritising our key lines in the event of any issues.</li> <li>– Working with our insurance broker, we are in the process of developing a standardised Business Continuity Management approach, which will further enhance our resilience.</li> <li>– Our diversified product range from multiple production sites provides alternatives for our customers.</li> <li>– We have flexibility within our network to enable us to continue our operations.</li> <li>– Insurance cover is in place, and we liaise closely with insurers, particularly when designing new sites or improving existing premises.</li> </ul>	<div>1 2 3</div> <div>4 5</div>	
<b>FOOD SAFETY/STRATEGIC</b>				
<b>SUPPLY CHAIN DISRUPTION</b>  External supply could be interrupted, resulting from issues such as third-party business interruption, geopolitical instability or a food safety concern.	A prolonged outage or other significant issue at one of our key suppliers or within their supply chain could impact on our ability to produce some of our range, or otherwise affect our ability to operate.	<ul style="list-style-type: none"> <li>– We aim to avoid single source supply for key ingredients where possible.</li> <li>– Stock holdings of ingredients and key equipment provide some cover.</li> <li>– In the event of interruptions, we are agile in our response to implementing contingency plans. These are regularly tested.</li> <li>– Relationships with suppliers are managed centrally by our procurement teams, including a risk assessment process.</li> <li>– Food safety processes and audits confirm compliance with our standards.</li> </ul>	<div>1 2 3</div> <div>4 5</div>	

### STRATEGIC PILLARS

- 1 Great tasting, freshly prepared food
- 2 Best customer experience
- 3 Competitive supply chain
- 4 First-class support teams
- 5 The Greggs Pledge

Risk and description	Impact	Key mitigations	Strategic pillars	Movement
<b>INFORMATION SECURITY</b>				
<b>CYBER AND DATA SECURITY INCIDENT</b>  A cyber incident may occur which impacts on our IT infrastructure, causing a data breach or impacting confidentiality/integrity of data.	We could suffer a significant loss of data, resulting in litigation and fines.  Our operations could be disrupted for a period of time.	<ul style="list-style-type: none"> <li>Third parties provide expertise and support, including regular penetration testing and a Security Operations Centre monitoring our networks around the clock.</li> <li>Our technical measures are constantly reviewed and updated in line with changing requirements and recognised information security control sets. An independent assurance programme is in place to review this.</li> <li>Ongoing training and advice are provided to our colleagues to improve awareness and strengthen our detection and prevention.</li> <li>An incident response process is in place.</li> </ul>	2 3 4	↔
<b>OPERATIONAL</b>				
<b>PROLONGED SYSTEM DOWNTIME/ INTERRUPTION</b>  A growing reliance on technology means that system interruptions become more disruptive, with an increased risk of business operations being affected.	IT products and services which are needed to support our business-critical activities may be lost.	<ul style="list-style-type: none"> <li>Greater investment in our IT infrastructure, utilising more cloud-based solutions, increases resilience within our network.</li> <li>We have established disaster recovery processes, which are tested periodically. We continue to develop our business continuity arrangements, which enable us to maintain operations.</li> <li>External partners are engaged to ensure they can provide specialist support and expertise when required.</li> </ul>	2 3 4	↔
<b>STRATEGIC</b>				
<b>DETERIORATION OF RELATIONSHIP WITH KEY PARTNER</b>  We continue to work closely with franchise, grocery retail and delivery partners in order to broaden our service offer into locations where our customers want us to be. There is a risk that our strategy and goals are not fully aligned.	A lack of alignment could result in targets not being met, due to performance not being optimised. Our brand's reputation could be damaged, and the relationship would be put at risk.	<ul style="list-style-type: none"> <li>We work with a number of respected partners, and are continuing to broaden the range of businesses with whom we operate. This reduces the reliance on any one individual partner.</li> <li>Contracts and service-level agreements are in place, along with a robust onboarding process for new partners. Ongoing performance is measured and action taken promptly in the event of standards failing to be met.</li> <li>Regular dialogue ensures an alignment of goals, and early identification of any issues.</li> </ul>	1 2 3 4	↔

## STRATEGIC PILLARS

1

Great tasting, freshly prepared food

2

Best customer experience

3

Competitive supply chain

4

First-class support teams

5

The Greggs Pledge

Risk and description	Impact	Key mitigations	Strategic pillars	Movement
<b>OPERATIONAL</b>				
<b>ABILITY TO ATTRACT/ RETAIN/MOTIVATE PEOPLE</b>  Our people are an essential part of our business and our culture. We may be unable to attract and retain the right talent within Greggs.	We may be unable to continue to deliver the product range and service standards that our customers want and expect from us.  A loss of existing resource results in additional recruitment, which in turn creates workload and training requirements.  Ultimately, we may be unable to grow the business in line with our strategy.	<ul style="list-style-type: none"> <li>– We recognise the importance of our people to the business' success, and offer competitive packages and extensive training and development opportunities, which help us to improve our retention rates.</li> <li>– We offer our colleagues additional benefits such as wellbeing support and flexible working, helping to maintain positive employee relations.</li> <li>– Colleagues have a range of ways to communicate their ideas for improvement, including annual opinion surveys, listening groups and inclusion networks for minority communities and allies.</li> <li>– Efficient recruitment processes allow us to fill vacancies quickly and effectively.</li> </ul>	<div>1 2 3</div> <div>4 5</div>	
<b>REPUTATIONAL</b>				
<b>DAMAGE TO REPUTATION</b>  As brand awareness grows, there is greater risk of damage to our reputation by internal factors, third-party actions or fraudulent behaviour.	Customers could lose their trust in the brand, ultimately impacting on our ability to grow our estate and achieve our objectives.  Shareholder value could be reduced.	<ul style="list-style-type: none"> <li>– We have a robust crisis management process in place, which we test regularly. This is supported by appropriate third parties (such as PR agencies) where specialist advice is required.</li> <li>– Training and guidelines for our teams ensure proper processes are followed.</li> <li>– All of our shops and supply sites are required to follow consistent procedures to ensure that our food complies with standards.</li> <li>– Our audit teams assess compliance with standards, across both company-managed and franchise shops, as well as within central functions.</li> </ul>	<div>2 3</div>	

Risk and description	Impact	Key mitigations	Strategic pillars	Movement
<b>FOOD SAFETY</b>				
<b>SIGNIFICANT FOOD SAFETY INCIDENT/ PRODUCT QUALITY ISSUE</b>  We may produce and/or sell products which are unsafe, or not of the appropriate quality. This could be a result of incorrect labelling of allergens, product contamination, or a failure to follow procedures correctly.	There could be harm to our customers or colleagues.  Our reputation as a trusted brand could be significantly impacted, which in turn would affect our financial performance. We could also be exposed to significant fines.	<ul style="list-style-type: none"> <li>– All new external suppliers require formal approval, and all ingredients and products have agreed specifications, to ensure consistency.</li> <li>– Robust food safety standards and policies are in place, independently assured by our Primary Authority.</li> <li>– Our teams are trained, with specialists able to provide additional knowledge.</li> <li>– Audits are undertaken by our internal teams and external bodies, with a focus on food safety.</li> <li>– Our complaints process ensures all matters are investigated. When a root cause is identified, we take action to address it.</li> </ul>	<div>1 2 3</div> <div>4 5</div>	
<b>GOVERNANCE, LEGAL AND REGULATORY</b>				
<b>CHANGES IN THE REGULATORY LANDSCAPE</b>  New regulatory requirements could be implemented, driven by environmental, health or other concerns.	It may be necessary for us to make changes to our product range. Without an ability to respond quickly, we could lose market share.	<ul style="list-style-type: none"> <li>– Regular horizon-scanning activities are undertaken by our teams, and we receive advisory information across all professional disciplines.</li> <li>– We engage with Trade Associations and government bodies to ensure we are updated with developments.</li> <li>– Participating in industry forums gives us an opportunity to influence decision-making.</li> </ul>	<div>1 2 3</div> <div>4</div>	

## STRATEGIC PILLARS

1

Great tasting, freshly prepared food

2

Best customer experience

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Competitive supply chain

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First-class support teams

5

The Greggs Pledge

## Viability

The Directors have assessed the Group's prospects and viability taking into account its current position, plans and principal risks. In carrying out its assessment the Board has reviewed the three-year operational and financial plans to 2027. This is the period over which the Board reviews management's business planning and sets performance targets, and therefore the Board believes that this remains the most appropriate timeframe over which to make the viability assessment.

The Directors have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity.

The principal risks to which the Group is exposed ultimately affect the ability of its shops to trade successfully, either due to reduced demand or because of operational interruptions, including those to its internal supply chain. A significant loss of sales is particularly damaging given the Group's vertical integration in that the cost of the internal supply chain cannot be reduced quickly.

Scenarios were modelled to stress-test the Group's financial resilience to the impact arising from occurrence of the following principal risks:

1. Pandemic threat – the risk that the Group is forced to close its shops to walk-in customers for three months from October 2025 as a result of lockdown rules, and subsequently experiences subdued levels of walk-in trade as the economy recovers (starting at 70% of previously forecast sales in January 2026, building back to 100% by the start of 2027). Delivery channel sales are assumed to continue through the lockdown months, with a 2.5x increase in volume as customers switch channels, as are 'bake at home' sales through the Group's wholesale relationship with Iceland Foods. This forward scenario assumes that Government support would be available for employment costs and that relief from business rates would be available during the periods of forced closure.

2. A brand-damaging food scare resulting in a significant one-year sales reduction (circa 25% sales reduction for initial six months) followed by gradual recovery of confidence. In making assumptions the Directors considered real examples of companies in the food sector that had experienced such issues.

3. Temporary loss of production capacity for the Group's iconic pastry savoury products and the consequences for liquidity as capacity is restored.

In each case the Directors reviewed the mitigating actions that would be necessary to protect the Group's liquidity.

These included:

- The temporary suspension of dividend payments in order to preserve cash for operational use;
- Restriction of capital expenditure whilst protecting essential infrastructure maintenance and commitments to strategic investments;
- Access to Government support;
- Drawing on existing committed financing facilities; and
- Calling on the Group's insurance arrangements on the occurrence of an insured risk.

The scenarios tested were capable of being managed within the Group's existing, committed financing facilities with no forecast breaches of lending covenants. Given the opening cash position in 2025 the Group has sufficient existing and committed financing facilities to manage in a situation where multiple principal risk scenarios occur concurrently, including an assumption that extension options will be agreed by lenders on expiry of the current facility in June 2027. This will likely not be the case in future years as we increase capital expenditure and reduce the Group's cash position. In the event of multiple principal risk scenarios occurring the Directors believe that the borrowing capacity of the Group would be sufficient to allow it access to temporary additional facilities.

Based on the results of the 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 detailed assessment.

The Strategic Report was approved by the Board on 4 March 2025.

Signed on behalf of the Board.

**Roisin Currie**

Chief Executive

4 March 2025

## BOARD OF DIRECTORS AND SECRETARY



### MATT DAVIES

Chair

Matt is a widely experienced retailer and was previously the CEO of Tesco UK and ROI, before which he held CEO positions at Pets at Home and Halfords. As a Non-Executive Director, Matt chaired N Brown Group plc and was on the Board of Dunelm Group plc.

#### Appointed since

2 August 2022

#### Independent

Yes

#### Committee membership

Chair of the Nominations Committee.

#### External appointments

Chair of AutoTrader and a number of private equity-owned businesses and is an Operating Partner at Advent International.



### ROISIN CURRIE

Chief Executive

Roisin was appointed Chief Executive from the role of Retail and Property Director. Prior to joining Greggs in 2010, Roisin worked at Asda where she held various People Director roles, including responsibility for the organisation's retail and distribution operations.

#### Appointed since

1 February 2022

#### Independent

n/a

#### External appointments

Chair of the Employers Forum For Reducing Re-offending.  
Trustee of Duke of Edinburgh Award Scheme.

Non-Executive Director of Howden Joinery Group Plc.



### RICHARD HUTTON

Chief Financial Officer

Richard qualified as a Chartered Accountant with KPMG and gained career experience with Procter & Gamble before joining Greggs in 1998.

#### Appointed since

13 March 2006

#### Independent

n/a

#### External appointments

Trustee Director of Business in the Community.  
Trustee of The Greggs Foundation.



## MOHAMED ELSARKY

Non-Executive Director

Mohamed is currently the Group Chief Executive Officer of The Unifrutti Group and is an experienced international food manufacturing executive, who has held senior positions in Kellogg's, Danone and Godiva Chocolatier. Mohamed has previously held Non-Executive Director positions including at Nomad Foods, a company listed on the New York Stock Exchange.

Mohamed is the designated Non-Executive Director for colleague engagement.

### Appointed since

21 June 2021

### Independent

Yes

### Committee membership

Member of the Audit, Remuneration and Nominations Committees.

### External appointments

CEO Unifrutti Group, Executive Chairman at the Nu Company GmbH, Senior Adviser at Bain Partners.



## KATE FERRY

Non-Executive Director

Kate is currently Chief Financial Officer at Burberry Group plc. Prior to joining Burberry Group, Kate was Chief Financial Officer of Maclaren Group and TalkTalk Group, and has previously held positions on the Dixons Carphone plc (now Currys plc) Executive Committee. Kate began her career in audit with PricewaterhouseCoopers.

### Appointed since

1 June 2019

### Independent

Yes

### Committee membership

Chair of the Audit Committee. Member of the Remuneration and Nominations Committees.

### External appointments

CFO Burberry Group plc, Chair of the Audit Committee – British Olympic Committee Foundation.



## NIGEL MILLS

Senior Independent Non-Executive Director

Nigel has extensive expertise in financial markets, investors and governance, having been Chief Executive at Hoare Govett and Chair of Corporate Broking at Citi Group, advising a wide range of companies including a significant number within the consumer sector.

### Appointed since

7 March 2023

### Independent

Yes

### Committee membership

Member of the Audit, Remuneration and Nominations Committees.

### External appointments

Senior Independent Non-Executive Director role at both John Wood Group PLC and at Persimmon plc.



## TAMARA ROGERS

Non-Executive Director

Tamara is the Global Chief Marketing Officer at Haleon plc, having joined GSK Consumer Healthcare in 2018 as Region Head EMEA. Prior to that, Tamara spent 25 years at Unilever holding leadership positions including EVP Region Head Personal Care North America and EVP Global Deodorants Category.

### Appointed since

1 June 2024

### Independent

Yes

### Committee membership

Member of the Audit, Remuneration and Nominations Committees.

### External appointments

Chair of Global Self-Care Federation.

Global Chief Marketing Officer at Haleon plc



## LYNNE WEEDALL

Non-Executive Director

Lynne has been involved in the retail sector throughout her career, latterly as Group People and Culture Director for Selfridges Group. Prior to joining Selfridges Group, Lynne was Group Director of Human Resources at Dixons Carphone plc (now Currys plc) and has previously held senior positions in companies such as Whitbread.

### Appointed since

17 May 2022

### Independent

Yes

### Committee membership

Chair of the Remuneration Committee.

Member of the Audit and Nominations Committees.

### External appointments

Senior Independent Non-Executive Director and Remuneration Committee Chair at Dr. Martens plc and Non-Executive Director and Chair of the Remuneration and Nominations Committees at Softcat plc. Non-Executive Director of Stagecoach Limited. Member of The King's Trust Council.



## SARAH DICKSON

Company Secretary and General Counsel

Sarah joined the Company on 9 December 2024 from Marks & Spencer plc, where she was Deputy General Counsel and Data Protection Officer. Sarah is a lawyer by profession, having previously held other senior legal roles at Asda. Sarah is also a Chartered Governance Institute-qualified Secretary.

### Appointed since

19 December 2024

### Independent

n/a

### External appointments

n/a

# CHAIR'S INTRODUCTION

## Dear Shareholder

I'm delighted to introduce the governance sections of our 2024 Annual Report. As ever, if stakeholders have any questions or comments, please don't hesitate to contact us.

## Board changes in 2024

We made one new appointment to our Non-Executive Director team during the year, welcoming Tamara Rogers onto the Board in June. Tamara is Global Chief Marketing Officer at Haleon plc, the FTSE 100 consumer health business previously part of GSK. Tamara brings to the Board a wealth of experience across marketing, customer insight, and digital commerce, which will be of significant value as Greggs continues its journey as a multi-channel consumer business.

## Culture and purpose

Last year, for the first time, we introduced a new section to our Annual Report entitled 'Our People', emphasising the importance of our colleagues right across the business. Without their contribution, we could not achieve our purpose of making freshly prepared food available to everyone. The latest 'Our People' report can be found on pages 40 to 45. Those pages describe how we set about listening to our colleagues, how we embrace diversity through various colleague inclusion networks, pay gap reporting, how we develop our colleagues, and much more.

Our sustainability strategy, The Greggs Pledge, has entered the final year of its first five-year iteration, and I'm pleased to say we continue to make great progress with our commitments. Our team is focused on delivering the current commitments as we enter that final year, but also in evolving The Greggs Pledge for launch in 2026. We've provided more details on pages 46 to 49 of this Annual Report, and online at: [corporate.greggs.co.uk/doing-good](https://corporate.greggs.co.uk/doing-good).

## Governance and reporting

We have continued with our regular Board meetings across the year, which sees the Board meet at the Head Office in Newcastle, and also at our supply chain sites or in London. We met formally seven times in the year, with the meetings governed by a set agenda, and we also met with our external evaluation facilitator, Milena Djurdjevic, to receive feedback on her findings. We've set out some of the findings from that evaluation on page 76 and I'd like to take this opportunity to thank Milena for her work in providing her report.

As always, our Non-Executive Directors are encouraged to spend time across our shops, supply and logistic sites, and central offices to give visibility of the Board as best we can in the time available.

In September 2024, the Board visited our production facility at Enfield, seeing the facilities and speaking with colleagues involved in the production of our bread lines and pizza. More details of the Board's activities, and key decisions taken during the year, are set out later in this section of our Annual Report.

I'm pleased to say that we were compliant with the UK Corporate Governance Code (2018) (the 'Governance Code') throughout the year, and the following pages set out further details. I invite you to consider that alongside the report on how the Directors have fulfilled their duties in accordance with s172 Companies Act 2006. We have been monitoring the changes resulting from the revised UK Corporate Governance Code 2024 edition, and will be adapting our reporting next year to reflect our compliance with that amended regime.

Once again, we will be holding our AGM in Newcastle, this year on Wednesday 21 May 2025, and we'd like to see as many of our shareholders as possible at that event. This provides a great opportunity to hear from and speak with members of the Board and Operating Board, followed by lunch, including all your Greggs favourites.

## Matt Davies

Chair

4 March 2025

**This Governance Report sets out how the Company has applied the principles in the 2018 UK Corporate Governance Code during its financial period ended 28 December 2024.**

**A copy of the Governance Code is available at [frc.org.uk/directors/corporate-governance/uk-corporate-governance-code](https://frc.org.uk/directors/corporate-governance/uk-corporate-governance-code).**

**Board composition, succession and evaluation**

During the year we welcomed Tamara Rogers to the Board on 1 June 2024. Tamara's details can be found on pages 74 and 75 of this Annual Report.

As at 28 December 2024, 50% of the Board are women. One senior position, that of Chief Executive, is held by a woman and at least one Director comes from an ethnic background. Further details outlining our commitment to diversity and inclusion are provided in the 'Our People' section of this Annual Report on pages 40 to 45. These details are incorporated by reference into this Directors' Report.

Our governance structure is such that all Non-Executive Directors are independent and sit on each Board Committee, a practice that has been deployed over many years and which continues to work well for us. Each such Committee is chaired by a Non-Executive Director with appropriate experience. For example, our Audit Committee is chaired by Kate Ferry, a Chartered Accountant and currently CFO of Burberry Group plc.

When any new Director is appointed, they undergo an induction process that includes accompanied visits to shops, supply and logistic sites, as well as meeting key team members of senior management. The induction of new Directors was considered as part of the externally-facilitated evaluation undertaken towards the end of 2024, and in this context the report concluded that 'the induction process for new Non-Executive Directors is well

thought-through and extremely helpful in allowing the individual to really get under the skin of the business'.

In 2024, the Board resolved to have its annual evaluation externally facilitated. The Chair and the Company Secretary conducted a tender process, with Calibro Consulting (which has no other connection with the Company or its Directors), led by Milena Djurdjevic, being appointed. Milena attended several Board and Committee meetings over a five-month period, and conducted one-to-one meetings with all Directors and the Operating Board members. Her report was then presented to the Board at a meeting in December 2024.

Following that review, the Board has developed objectives for itself during 2025, which include the following:

- Develop Board processes to ensure appropriate time is allocated to strategy, operational updates, governance and the work done in Committees.
- Validate that the operational structure is optimised towards continued achievement of the business plan.
- Evolve the sustainability plan (The Greggs Pledge) for 2026-2030.

Any impact the evaluation may have on the composition of the Board will be considered in 2025.

**Sharing Board responsibility**

There is a written statement of the split of responsibilities between the Chair and the Chief Executive, and this is available on the corporate website at [corporate.greggs.co.uk](https://corporate.greggs.co.uk). Matt Davies was considered as independent on his appointment, and he continues to be so, and all of the Non-Executive Directors are independent.

There is also a written statement of the responsibilities of the Senior Independent Non-Executive Director. Nigel Mills has been in the role since 17 May 2023, and at least annually spends formal time with the Non-Executive Directors without the Chair being present. At these sessions, the Non-Executive Directors consider the Chair's performance, which is then fed back to Matt by Nigel. Nigel is also the Senior Independent Director at Persimmon plc and John Wood Group PLC.

During the year, Matt Davies held regular and informal conversations with the Non-Executive Directors, collectively and individually, ensuring that they had plenty of opportunity to raise any concerns that they might have or to express opinions. Matt also had regular sessions with the Executive Directors and members of the Operating Board. A short period of reflection is now a part of every Board agenda, when the Directors are invited to consider topics covered in the meeting, potential areas for future consideration, and areas that need more focus.

The Board has three main Committees, being the Audit, Remuneration and Nominations Committees, each chaired by an Independent Non-Executive Director or the Chair. Terms of reference for each of the Committees were last reviewed by the respective Committee and the Board in November 2024, and subsequently readopted. The readopted terms of reference can be found on the corporate website. Details of the work of those Committees can be found on pages 88 to 94 (Audit Committee Report), pages 95 to 118 (Directors' Remuneration Report), and page 77 (Nominations Committee update).

The Board generally schedules seven meetings in each year, including an annual formal strategy meeting, and then meets from time to time as may be required. Board and Committee meetings are well-attended, and attendance is set out in the following table:

Attendance	Board	Audit Committee	Remuneration Committee	Nominations Committee
Matt Davies	7/7	–	–	1/1
Roisin Currie	7/7	–	–	–
Richard Hutton	7/7	–	–	–
Mohamed Elsarky	7/7	4/4	3/3	1/1
Kate Ferry*	5/7	4/4	2/3	1/1
Lynne Weedall	7/7	4/4	3/3	1/1
Nigel Mills	7/7	4/4	3/3	1/1
Tamara Rogers**	4/4	2/2	1/1	0/0

\* Kate Ferry missed two Board sessions following a medical procedure from which she has fully recovered.

\*\* Tamara Rogers was appointed to the Board on 1 June 2024.

## Nominations Committee update

The Nominations Committee is chaired by the Board Chair and has terms of reference that are reviewed each year, approved by the Board and adopted by the Committee. Those terms of reference, which are available on the Company's corporate website, set out the responsibilities of the Committee. All of the Non-Executive Directors are members of the Committee, in line with the Board's current policy of having all Non-Executive Directors appointed to each of the three main Committees. The Chief Executive is a regular attendee at Nominations Committee meetings, and from time to time the Chief Financial Officer and the People Director are also invited.

The Committee's primary responsibility is to ensure plans are in place for orderly succession to the Board, and also to the Operating Board, when that responsibility is not reviewed by the Board as a whole. There is an agenda item at one Board meeting each year when the Chief Executive and the People Director present succession plans for each Operating Board Director. During 2024, there were two appointments to the Operating Board made as a result of retirements. The Chief Executive kept the Board apprised of progress, and the Chair of the Board (and Nominations Committee) met the final candidates, who were both external appointees. The Board approved the appointment of Sarah Dickson as Company Secretary and General Counsel, replacing Jonathan Jowett. Further details about Sarah are set out on page 74.

In the first part of 2024, the Nominations Committee completed the appointment of a further Non-Executive Director. Spencer Stuart was appointed, in 2023, to support the Board and Nominations Committee with the search. Spencer Stuart has no connections to the Company, nor to any of the Directors, other than as recruitment adviser. The search culminated in the Board accepting the Nominations Committee's recommendation to appoint Tamara Rogers. The appointment process included a review of the skills on the Board and potential gaps, the development of a role profile, a candidate assessment process conducted by Spencer Stuart, a number of meetings with all

members of the Board, as well as taking formal and informal references. The Board formally appointed Tamara with effect from 1 June 2024.

As referred to in the process above, in selecting new Non-Executive Directors, the Nominations Committee uses a skills matrix to assess the necessary and preferred attributes in potential candidates. The Nominations Committee also takes into account other demands on potential candidates' time and asks them to confirm they will be able to commit the necessary time to Greggs, with that commitment ultimately being included in the letter of appointment.

The Nominations Committee has considered the contribution of each of the Directors, and has confirmed to the Board its recommendation that all Directors including the Chair should be reappointed at the AGM in May 2025.

As noted in the Governance Report on page 76 there was an externally-facilitated evaluation of the Board and its committees during 2024, conducted by Calibro Consulting. The Committee has considered the results of this evaluation and concluded that it operates effectively and that the Board takes assurance from the quality of its work.

## Board activity in the year

The Board made a number of key decisions across the year, which included the decision to fund the development of two sites in the Midlands: one in Derby and one in Kettering – both to support future shop growth. Site visits included tours of the production facilities at Enfield, and the new investment in the North East at the Balliol facility, which will support shop growth. Other matters considered across the year included:

January	Approval of budget 2024.
March	Approve release of preliminary results and approval of the 2023 Annual Report and Accounts. Review of cash usage and approval of dividend. Report on external review of allergen controls. Supply chain investment.
May	AGM preparation including consideration of proxy adviser reports and voting. Review of estate strategy. Approval of defined benefit pension scheme insurance policy buy-in.
June	The approval of a new £100 million revolving credit facility, replacing the previous one. The annual strategy meeting.
July	Approve release of interim results. Business plan 2025 progress updates.
September	People and succession strategy. Franchise strategy. SAP investment.
November	The Greggs Pledge evolution. Food safety, and health and safety review. CRM strategy.

## Diversity and inclusion

The Board as a whole, rather than the Nominations Committee, monitors the gender balance in the Company.

The required disclosures are set out on page 42 and are incorporated by reference into the Directors' Report. The section entitled 'Our People' contains information about our colleague inclusion networks, team development, and engagement activity.

As part of the DTR 7.2.8A disclosure, the 'Our People' report on pages 40 to 45 is incorporated by reference into this Directors' Report.

## Other disclosures

### Directors and their interests

The names of the Directors in office during the year, together with their relevant interests in the share capital of the Company at 31 December 2023 and 28 December 2024, are set out in the Directors' Remuneration Report on page 116. Details of the Directors' share options are set out in the Directors' Remuneration Report on page 114.

### Directors' indemnities and conflicts

As at the date of this Annual Report, indemnities are in force under which the Company has agreed to indemnify the Directors, to the extent permitted by law, in respect of losses arising out of, or in connection with, the execution of their duties, powers or responsibilities as Directors of the Company. The indemnities do not apply in situations where the relevant Director has been guilty of fraud or wilful misconduct.

Under the authority granted to them in the Company's articles of association, the Board has considered carefully any situation declared by any Director pursuant to which they have or might have a conflict of interest and, where it considers it appropriate to do so, has authorised the continuation of that situation. At each Board meeting, a Schedule of Potential Conflicts of Interest is reviewed and Directors are asked to declare any new or changed interests. In exercising their authority, the Directors have had regard to their statutory and other duties to the Company. All Directors have access to the Company Secretary as and when required.

### Substantial shareholdings

At 3 March 2025, the only notified holdings of substantial voting rights in respect of the issued share capital of the Company (which may have altered since the date of such notification, without any requirement for the Company to have been informed) were:

Shareholder	Number of shares held	Percentage of issued share capital
Schroders plc	5,069,408	4.96%
Royal London Asset Mgt	5,050,276	4.94%
Blackrock, Inc	Not disclosed	<5%

### Additional information

- Future business developments: details of future business developments can be found throughout the Strategic Report on pages 26 to 37.
- Financial risk management: details of our financial risk management policies and objectives can be found in Note 2 to the accounts.
- The information set out within the Governance Report on pages 75 to 80 forms part of the Directors' Report.
- GHG emissions: all disclosures concerning the Group's GHG emissions (as required to be disclosed under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013) are contained in the TCFD Report on pages 50 to 58.
- Dividends: details of the dividends declared and paid are given in Note 24 to the accounts.
- Stakeholder engagement: details of the Group's engagement with colleagues, suppliers, customers and others are given on pages 81 to 87.

### Non-financial and sustainability information regulations

The mandatory climate-related information required by sections 414CA and 414CB of the Companies Act 2006 is included within the Strategic Report on pages 1 to 71 and the Directors' Report on pages 72 to 120.

### Authority to purchase shares

At the AGM on 15 May 2024, the shareholders passed a resolution authorising the purchase by the Company of its own shares to a maximum of 10,100,000 ordinary shares of two pence each.

That authority had not been used as at 28 December 2024.

The authority remains in force until the conclusion of the AGM in 2025 or 20 August 2025, whichever is the earlier. It is the Board's intention to seek approval at the 2025 AGM for the renewal of this authority.

### Takeover directive information

Following the implementation of the European Directive on Takeover Bids by certain provisions of the Companies Act 2006, the Company is required to disclose certain additional information in the Directors' Report. This information is set out below:

- The Company has one class of share in issue being ordinary shares of two pence each. As at 4 March 2025, there were 102,255,675 such ordinary shares in issue. There are no shares in the Company that grant the holder special rights with regard to the control of the Company.
- At general meetings of the Company, on a show of hands, every shareholder present in person or by proxy has one vote only and, in the case of a poll, every shareholder present in person or by proxy has one vote for every share in the capital of the Company held.
- The Company's articles of association set out the circumstances in which shares may become disenfranchised. No shareholder is entitled, unless the Directors otherwise determine, in respect of any share held, to be present or vote at a general meeting either personally or by proxy (or to exercise any other right in relation to meetings of the Company) in respect of that share in certain circumstances if any call or other sum is payable and remains unpaid, if the shareholder is in default in complying with a duly-served notice under section 793(1) of the Companies Act 2006 or if any shareholder has failed to reply to a duly-served notice requiring them to provide a written statement stating they are the beneficial owner of the shares.
- A notice convening a general meeting can contain a statement that a shareholder is not entitled to attend and vote at a general meeting unless their name is entered on the register of members of the Company at a specific time (not more than 48 hours before the meeting) and if a shareholder's name is not so entered, they are not entitled to attend and vote.

- Under the Company's articles of association, the Directors may, in their absolute discretion, refuse to register the transfer of a share in certified form in certain circumstances where the Company has a lien on the share (provided that the Directors do not exercise their discretion so as to prevent dealings in partly-paid shares from taking place on an open and proper basis), where a shareholder has failed to reply to a duly-served notice under section 793(1) Companies Act 2006 or if a transfer of a share is in favour of more than four persons jointly. In addition, the Directors may decline to recognise any instrument of transfer unless it is in respect of only one class of share and is deposited at the address at which the register of members of the Company is held (or at such other place as the Directors may determine) accompanied by the relevant share certificate(s) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. In respect of shares held in uncertificated form, the Directors may only refuse to register transfers in accordance with the Uncertificated Securities Regulations 2001 (as amended from time to time).
- Under the Company's code on dealings in securities in the Company, persons discharging managerial responsibilities and some other senior executives may in certain circumstances be restricted as to when they can transfer shares in the Company.
- There are no agreements between shareholders known to the Company, which may result in restrictions on the transfer of shares or on voting rights.
- Where, under a colleague share plan operated by the Company, participants are the beneficial owners of shares but not the registered owner, the voting rights are normally exercised by the registered owner at the direction of the participant.
- The Company's articles of association may only be amended by special resolution at a general meeting of the shareholders.
- The Company's articles of association set out how Directors are appointed and replaced. Directors can be appointed by the Board or by the shareholders in a general meeting. At each AGM, any Director appointed by the Board since the last AGM must retire from office but is eligible for election by the

shareholders. Furthermore, the Board has resolved that, in line with the Corporate Governance Code (2018 revision), all the Directors will be subject to annual re-election by shareholders. Under the Companies Act 2006 and the Company's articles of association, a Director can be removed from office by the shareholders in a general meeting.

- The Company's articles of association set out the powers of the Directors. The business of the Company is to be managed by the Directors who may exercise all the powers of the Company and do on behalf of the Company all such acts as may be exercised and done by the Company and are not by any relevant statutes or the Company's articles of association required to be exercised or done by the Company in a general meeting, subject to the provisions of any relevant statutes and the Company's articles of association and to such regulations as may be prescribed by the Company by special resolution.
- Under the Companies Act 2006 and the Company's articles of association, the Directors' powers include the power to allot and buy back shares in the Company. At each AGM, resolutions are proposed, granting and setting limits on these powers.
- The Company is not party to any significant agreements which take effect, alter or terminate upon a change in control of the Company, following a takeover bid.
- There are no agreements between the Company and its Directors or colleagues providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) that occurs because of a takeover bid. However, provisions in the colleague share plans operated by the Company may allow options to be exercised on a takeover.

### Significant relationships

The Group does not have any contractual or other relationships with any single party which are essential to the business of the Group and, therefore, no such relationships have been disclosed.

### Colleagues

What makes Greggs so special is its culture – the way our colleagues encourage and support each other. We want everyone to feel welcome at Greggs and our colleagues to be able to be themselves at work, whatever their background, preferences or views. Where colleagues or prospective colleagues have a disability then discussions will be had with individuals to review any adjustments required and every effort will be made to support them. Greggs is committed to creating a work environment free of discrimination, bullying, harassment and victimisation, where everyone is treated equally with dignity and respect. This applies in all aspects of employment including recruitment and selection, promotion, transfer, training or other developmental opportunities, pay and benefits, other terms of employment, discipline and selection for redundancy. Our colleague networks, covering LGBTQ+, ethnicity and disability, provide valuable insight and feedback, and help us to develop training for our colleagues and understand how we can improve the way we do things at Greggs. Details on the contribution of our networks can be found on page 42.

### Accountability, audit and going concern

The Board acknowledges its responsibility to present a fair, balanced and understandable assessment of the Company's position and prospects. In order to assist the Board to comply with the requirements within the Governance Code, each year the Audit Committee is requested to undertake an assessment of the Annual Report and to make a recommendation to the Board. This request has been enshrined within the Audit Committee's terms of reference, which are available at [corporate.greggs.co.uk/investors/corporate-governance](https://corporate.greggs.co.uk/investors/corporate-governance).

The actions undertaken by the Audit Committee in confirming its advice to the Board include the consideration of a detailed review that has been undertaken by the Head of Business Assurance and reviewing the Annual Report as a whole to confirm that it presents a fair, balanced and understandable assessment. In considering the advice of the Audit Committee, and having reviewed the Annual Report including the contents

of the Strategic Report, together with the statutory accounts themselves, the Board duly considers the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable, and provides the necessary information for shareholders to assess the Company's performance, business model and strategy.

A statement of Directors' responsibilities in respect of the preparation of accounts is given on pages 119 and 120. A statement of auditor's responsibilities is given in the report of the auditor on page 126.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts (see 'Basis of preparation' in the notes to the accounts on page 134). The Board's viability statement made in accordance with Governance Code Provision 31 can be found on page 71.

## **Policies**

### **Freedom of association**

At Greggs, we recognise the right of all colleagues to freedom of association and collective bargaining. Whilst we do not have a formal freedom of association policy, the Company encourages all its colleagues in supply sites, shops and offices to become, and remain, members of a union.

### **Bribery and corruption**

Greggs has an anti-bribery and corruption policy, which applies to all employees and prohibits the offering, giving, seeking or acceptance of any bribe in any form to any person or company acting on its behalf, in order to gain an advantage in an unethical way.

### **Business conduct**

We have a specific policy that sets out the standards of ethical behaviour that are expected of all employees. Graded managers, and all members of the procurement team, are required to make an annual confirmation of their compliance with the policy.

### **Whistleblowing**

Our 'whistleblowing' policy creates an environment where employees are able to raise concerns without fear of disciplinary action being taken against them as a result of any disclosure. Any matters raised are treated in confidence and an independent review will be undertaken where it is appropriate. The Chair of the Audit Committee is the designated first point of contact for any concerns which cannot be addressed through normal management processes.

### **Political donations**

Greggs has a clear policy forbidding political donations or contributions. This includes financial and in-kind contributions made by the Company.

### **Disclosure of information to the auditor**

Each of the Directors who held office at the date of approval of this Directors' Report confirms that, so far as they are individually aware, there is no relevant audit information of which the Company's auditor is unaware and that they have taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

By order of the Board

### **Sarah Dickson**

Company Secretary

4 March 2025

Greggs plc (CRN 502851)

Greggs House, Quorum Business Park

Newcastle upon Tyne NE12 8BU

# SECTION 172 STATEMENT

**The views of our key stakeholders and our Company purpose remain front of mind whenever the Board has decisions to make.**

It is a key responsibility of the Executive Directors to maintain strong connections with stakeholders. For example, the Chief Executive hears from customers regularly, has 'top-to-top' meetings with key suppliers, and spends much of her time in shops and our production sites speaking with colleagues. The Chief Financial Officer leads on discussions with current and potential investors, accompanied by the Chief Executive at times across the year, and he also manages the relationships with banking partners. The Chief Executive and Chief Financial Officer report back to the Board on engagements of any significance, including with shareholders, banks, colleagues and customers.

Working with the People Director, Mohamed Elsarky, our Non-Executive Director who leads on colleague engagement, agrees a schedule of events across the year when Board members have the opportunity to hear from colleagues. These include listening groups with colleagues, the annual management conference, and formal and informal visits to shops, production and distribution sites. At Board meetings, Directors are invited to comment on their activities and learnings.

The following pages 81 to 87 comprise our section 172 statement and describe how the Directors individually and collectively, acting in good faith, have exercised their duties over the course of the year to promote the long-term success of the Company for the benefit of its members as a whole, and in doing so have had regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006.

CUSTOMERS



How and why we engage

With an increasing ability to interpret how our customers are feeling about Greggs, as a result of our developing CRM systems, the voice of the customer in the Boardroom is of ever-increasing value. That voice comes in the form of insight reports and presentations from the customer team, as well as updates from the Chief Executive on how the Company is performing in terms of brand health and share of market. By speaking to customers in our shops, through our customer care and insight teams, and across our digital channels, we're constantly listening and learning so we can understand how best to serve our customers.

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Impact on Board decisions

During the recent cost-of-living crisis and the inflationary environment in which we have been purchasing products, understanding how customers react to price increases has had a significant impact in ensuring that our value for money offering remains at the forefront of our decision-making.

COLLEAGUES



How and why we engage

There are currently around 33,000 colleagues who come to work at Greggs, many of them on a part-time basis to fit around their family lives. It is our culture and values which we believe attract people to come and work with us, and we take great pride in referring to our colleagues as our 'secret sauce'. For the second time, and building upon the inaugural report in 2023, we have produced a separate section of our Annual Report, titled 'Our People', to show how and where we engage with colleagues, which can be found on pages 40 to 45 and which is incorporated by reference into this statement. There you will find details of our engagement with a variety of colleague groups, including our diversity and inclusion networks, recognised unions, along with our talent development activities and many other interactions that the Board has with colleagues.

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Impact on Board decisions

Having good people working with us is fundamental to our growth strategy. We continue to open new shops at pace, which requires significant support from our retail and people teams in planning and effecting recruitment. Having committed to invest in new supply chain facilities in Derby and Kettering, we will now be creating new jobs in those areas. The Remuneration Committee has sight of the benefits available to colleagues and is able to support the Operating Board in making sure we can continue to attract people to become Greggs colleagues. Details of the review and improvement in some colleague policies are given in the Remuneration Committee Report.

SUPPLIERS



How and why we engage

Being a manufacturer, distributor and retailer of food means that we need to source a wide range of products, from our proteins and salad ingredients, to commercial and other company vehicles and uniforms, and a wide range of services, including shop fit-out contractors, property advice, marketing support and factory constructors, to name but a few. It is important that we build and maintain good relationships with our suppliers – we hold regular meetings, undertake joint projects and visit our suppliers.

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Impact on Board decisions

In order to ensure we manage our food ingredient suppliers as efficiently as possible, we use systems and processes to assist our engagement. The Board has approved the installation of a new specification system, known as Trace One, which will help streamline our new product and product life cycle management processes, whilst providing accurate allergen information to customers more efficiently.

STRATEGIC PILLARS

1 Great tasting, freshly prepared food

2 Best customer experience

3 Competitive supply chain

4 First class support teams

5 The Greggs Pledge



## SHAREHOLDERS

### How and why we engage

Our shareholders are the owners of the business, and we have obligations to keep them apprised of significant developments. One of the ways we do this is through our regular reporting schedule and meetings with institutional shareholders across the year, conducted mainly by the Chief Executive, Chief Financial Officer and Head of Investor Relations.

We hold an 'in-person' AGM after which Directors mix with attendees over a Greggs lunch. Shareholders are also given the opportunity to engage with the respective Committee Chairs at this meeting to discuss any matters of significance that they want to raise. Our 'in-person' AGMs are well-attended, and resolutions put to the 2024 AGM were very well-supported.

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### Impact on Board decisions

The Chief Financial Officer leads on the Board's engagement with institutional investors and analysts, has regular interaction with existing and potential investors, and reports to the Board on the key points that arise from those meetings. At each Board meeting, a register of the top shareholdings is tabled, including movements of buyers and sellers. Following the preliminary and interim results roadshows, the Board receives feedback from investors and analysts on Company performance and levels of engagement. During the year, the Chair has met with a number of significant shareholders, where topics under discussion have ranged from Board succession to risk management and sustainability.

## LENDERS

### How and why we engage

During the pandemic in 2020, it became clear that it would be appropriate and prudent to have in place a formal bank facility, and a revolving credit facility of £100 million was put in place. That facility was refinanced during 2024, and remained undrawn. As part of the ongoing relationship with the commercial banks involved, the finance team provide regular performance and covenant compliance updates to banking partners.

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### Impact on Board decisions

Whilst the Company continues to be cash generative, nevertheless it keeps in place a revolving credit facility of £100 million. During the year, the Board approved the refinancing of that facility with three commercial banks.



## COMMUNITIES

### How and why we engage

Supporting the communities in which we operate is fundamental to The Greggs Pledge. Members of those communities include colleagues who work in our shops and production centres, and of course our customers. In areas where support is needed, we are setting up Greggs Outlets, which sell surplus food at discounted prices. There are now 38 such outlets, and we aim to have 45 by the end of 2025. Other support includes sharing a percentage of profits with local community projects focused on improving social mobility and tackling food poverty, and through The Greggs Foundation Breakfast Club programme in which we provide a nutritious breakfast to 75,000 children every school day who may have otherwise gone without. We also use our shops nationwide to collect donations on behalf of Children in Need, the Disasters Emergency Committee, and the Royal British Legion Poppy Appeal.

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### Impact on Board decisions

Knowing that there are so many communities in need of our support drives the Board to continue donating 1% of profits to The Greggs Foundation. In November 2024, over £1 million was raised for Children in Need. Recognising that food allergens are a significant and growing consumer issue, the Board approved further donations to the Natasha Allergy Research Foundation, contributing to important work in determining the causes and prevention of food allergies.



Below, by stakeholder, are some examples of the activities undertaken by the Board, or relevant information that was presented to them.

COLLEAGUES

Attendance at Greggs Negotiating Committee meetings

Attendance at listening groups with our Retail Operations Managers and manufacturing colleagues

Reviewing findings from the ‘Your Opinion Matters survey’ (see more on page 41 )

Undertaking shop visits to meet our shop teams

Participating in colleague development days

CUSTOMERS

Progress report on Greggs App development

Market insight presentations

Pricing strategy review and impact of inflation

Attendance at a menu tasting session with our category and food development teams

Attendance at ‘Customer of the Future’ session

Presentations from the customer insight team

SHAREHOLDERS

Declaration of dividends

Annual General Meeting

Share register monitoring and development of an engagement plan

Investor relations strategy review and the allocation of resource



## Colleague engagement

### Board engagement

There have been a number of engagement events across the year when Board members had the opportunity to meet with colleagues. These have included informal visits to shops, and organised visits to production centres at Enfield, Clydesmill and Newcastle. The Chair and the Chief Executive visited the Clydesmill manufacturing site to meet with colleagues. You can read more about this on pages 86 to 87. Mohamed Elsarky is the Non-Executive Director nominated with responsibility for colleague engagement, and in that role he has met with the People Director on several occasions to plan engagement activities. These have included visiting supply sites across the country, and meeting with retail management.

### Union recognition and engagement

Details of engagement with recognised unions are set out in the 'Our People' section of the Annual Report, found on pages 40 to 45.

## Rewarding the workforce

Following our continued sales and profit growth in 2024, the Board was again delighted to continue its long tradition of sharing 10% of profits with colleagues, enabling them to share in our success. Payments to qualifying colleagues will be made in late March 2025.

In order to determine the annual pay award, each year we undertake negotiations with the relevant trade unions representing those colleagues covered under a collective bargaining agreement. Following the successful conclusion of the resulting ballot, our 2025 pay award agreed for our wider workforce consisted of a base pay award of 3.5%, with an additional 3.3% (6.8% in total) for our hourly-paid retail colleagues. Further details can be found on page 95 in the Directors' Remuneration Report, and in the 'Our People' section on page 45. This increase was applied from January 2025.

In recent years, during which there were high levels of inflation, we chose to tier our pay awards to management, with the more senior people receiving a lower level of pay increase. This was in recognition of the fact that high inflation had a greater impact on lower paid colleagues. In the current environment, the Remuneration Committee has determined that we should revert to the previous standard of applying the same increase, 3.5%, to all levels of management.

As well as pay, we have again increased the pension provision for our wider workforce, allowing our colleagues to increase their pension contribution up to 7% with matched employer contributions.

Provision 36 of the Governance Code requires the Remuneration Committee to develop a formal policy for post-employment shareholdings. At the AGM in May 2023, shareholders approved a new remuneration policy setting out the post-employment holding requirement, which applies to all Executive Directors at the level of the shareholding guideline prior to departure or the actual shareholding on departure if lower. Full details can be seen in the Directors' Remuneration Report on page 95.

## Shareholders

The Chair takes responsibility for ensuring that key shareholders are aware of, and supportive of, the Board's approach to governance.

Much of the regular interaction with shareholders and the analyst community is undertaken by the Chief Executive and Chief Financial Officer, particularly around the times of the release of the preliminary and interim results. In between, the Chief Financial Officer is in regular contact with the investment community, sharing details of the Company's performance and strategy. Following key announcements, the anonymised views of shareholders are reported to the Board by UBS and Investec, the Company's retained brokers, and press and analyst feedback is provided by Hudson Sandler, the Company's financial communications consultant. Committee Chairs would engage with shareholders in the event of there being any significant issues within their respective areas of responsibility.

## Other stakeholder considerations

Greggs is committed to acting fairly towards all stakeholders of the Company. The impact of the Company's operations on the environment is covered in The Gregg's Pledge report on pages 46 to 49 and in our TCFD report on pages 50 to 58. Our business conduct policy is available on our website.

### Roisin Currie

Chief Executive

4 March 2025

## VISIT TO CLYDESMILL MANUFACTURING SITE IN MAY 2024

Matt Davies joined Roisin Currie on a visit to our Clydesmill manufacturing site to take a tour, find out more about what the fantastic team have been up to and what they may need support with.

They were welcomed to Clydesmill by the Site Manufacturing Manager and the Engineering Manager who between them have been with Greggs for 58 years! As Matt quickly discovered, this is not unusual at Clydesmill, with many of the colleagues he met on the visit proud of their long service and highlighting the warmth and feeling of community. Something experienced by everyone throughout the visit.

They were then taken through a fascinating presentation which focused on site history, colleague engagement, quality improvement and a focus on Clydesmill's iconic product – the Yum Yum!

In addition to Yum Yums, the team also produce Belgian Buns, Apple Danish, Fruit Scones, Cheese Scones and, for our shops in Scotland and wholesale partner, Iceland, they also produce Scotch pies.

It was great for Roisin and Matt to be able to see in person the work that had been done by the team to establish a quality improvement team, following a visit to Balliol Park and sharing learnings with the team there. Through regular catch-ups, period reports, insight and action, the team, made up of colleagues from different functions and areas of expertise, are determined to continue to develop and be the best team they can be.

It was then time for them to take a tour of the manufacturing site and see the team in action, starting with the Belgian Bun production line where the team produce over 200,000 Belgian Buns every week – that's 10.4 million a year!



After the Belgian Buns are baked, they moved through to the finishing room where every single Belgian Bun is carefully hand-finished with icing.





Roisin and Matt met with the distribution and logistics team as they toured the warehouse. The site operates 24/7 to supply its tasty products to all shops in the UK, as well as distributing to around 300 shops in Scotland and Northern Ireland.



SHOPS SERVED IN SCOTLAND  
AND NORTHERN IRELAND

**300**

Clydesmill produces all of the Yum Yums for Greggs 2,600+ shop network – that's 41.6 million a year!

YUM YUMS PRODUCED EACH YEAR

**41.6m**



It wouldn't have been a site visit without getting to sample some of the tasty products we produce fresh off the line – the Yum Yums in particular were a favourite.

The team at Clydesmill provided such a warm welcome, it was fantastic to see this busy and highly productive site in action and for everyone to have the opportunity to meet so many of our wonderful colleagues who make it all happen.



# AUDIT COMMITTEE REPORT

## Dear Shareholder

As Chair of the Audit Committee (the 'Committee'), I am pleased to present our report for the 52 weeks ended 28 December 2024.

The Committee plays an important part in the Company's governance framework providing independent oversight and robust challenge on the integrity of financial reporting (inclusive of the financial statements and any formal announcements regarding the Company's financial performance), quality and effectiveness of internal and external audit, risk management and the system of internal control.

In this report, I aim to share some of the Committee's discussions from the year, providing insight regarding the role of the Committee, the main matters considered by it during the year and the conclusions drawn. The Committee meets formally at key times within the reporting calendar and the agendas for its meetings are designed to cover all significant areas of risk over the course of the year and to provide oversight and challenge to the key financial judgements, controls and processes that operate within the Company.

During 2024, in addition to its regular oversight responsibilities, the Committee has:

- Started planning for the new requirement introduced in the UK Corporate Governance Code 2024 for annual reports on the effectiveness of material controls, from 2026. The Committee is in the process of reviewing the risk and internal control framework to establish which elements should be considered material controls so that an assurance framework over these controls can be developed.
- Continued to oversee the development of the Company's approach to risk management, including a specific focus on fraud risk, and defining its risk appetite.

- Considered the findings of a Financial Reporting Council (FRC) limited scope review of the Company's Annual Report and Accounts for the year ended 30 December 2023. It is pleasing that the FRC did not take any further action in relation to these Accounts and did not require a substantive response to their findings. They raised several points that have been considered and addressed while preparing this Annual Report and Accounts in relation to alternative performance measures and clarification of lease accounting assumptions.
- Refreshed its terms of reference – details of where to find these on the Company's website are given later in this report.
- Adopted the FRC's 'Audit Committees and the External Audit: Minimum Standard' recommendations, although this has not led to any significant change as the Committee already adhered to the principals set out in the Standard.
- Undergone an externally facilitated evaluation conducted by Calibro Consulting. I am pleased that this evaluation concluded that the Committee functions well both in absolute and relative terms, there is a very good mix of skills on the Committee and Committee members are always well prepared.

The Committee continues to keep its activities under review in the light of the Government's audit and governance reform agenda. Key priorities for the Committee during 2025 will be:

- Further work on the agreement and development of an assurance framework over material controls that will enable the Board to meet the reporting requirements of the 2024 UK Corporate Governance Code when they come into force from 2026.
- Monitoring management's preparations for new climate reporting frameworks/standards, including the introduction of the two UK Sustainability Reporting Standards that are expected in 2025, and overseeing the quality and reliability of the underlying data and reported metrics.

- Overseeing the upgrade of the Company's accounting system as part of the transition to an updated ERP system, SAP S/4HANA. The finance module is expected to be implemented during 2025.
- Oversight of controls over GenAI, cybersecurity, and data governance as their increased use presents new risks for the Company.

Overall, I am satisfied that the activities of the Committee enable it to gain a good understanding of the key matters impacting the Company during the year along with oversight of the governance and operation of its key controls, and ultimately to draw the conclusions set out in the following report.

## Kate Ferry

Chair of the Audit Committee  
4 March 2025

## Composition

The Audit Committee is comprised of the following:

Kate Ferry (Chair)

Mohamed Elsarky

Lynne Weedall

Nigel Mills

Tamara Rogers (from 1 June 2024)

It is the practice of the Company for all independent Non-Executive Directors to serve as members of the Audit Committee.

Training is provided for any new members of the Audit Committee by way of a thorough induction process which includes access to the external auditor, the Head of Business Assurance and relevant members of management.

The Committee provides independent and robust challenge to management and our internal and external auditors, ensures there are effective and high-quality controls in place and that appropriate judgements are taken, with a particular focus on matters that involve either a high degree of judgement and/or are significant to the Accounts.

The Directors' biographies on pages 72 to 74 detail the Committee members' previous experience and demonstrate that they have experience individually in a range of disciplines relevant to Greggs business. The Board considers that Kate Ferry has recent and relevant financial experience.

## Role and responsibilities

The terms of reference of the Committee were refreshed in 2024 and can be accessed at: <http://corporate.greggs.co.uk/investors/corporate-governance>

The key responsibilities of the Audit Committee are:

- Ensuring that the accounting and financial policies and practices of the Company are proper and effective;
- Assisting the Board in fulfilling its oversight responsibilities by monitoring the integrity of the Accounts and information published by the Company and reviewing and challenging significant financial judgements contained in them;
- Advising the Board on whether it believes the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- Reviewing the internal financial controls and the Group's approach to risk management;
- Overseeing whistle-blowing arrangements;
- Monitoring compliance with the Listing Rules and the recommendations of the UK Corporate Governance Code;
- Overseeing the Company's internal auditors and reviewing the effectiveness and objectivity of the audit process;
- Overseeing the Company's external auditors, reviewing their independence and objectivity and monitoring the effectiveness of the audit process;
- Developing and implementing policy on the external auditor's provision of non-audit services; and
- Reporting to the Board on how it has discharged its responsibilities.

## Meetings during the year

The Audit Committee met four times during the year. Details of Committee members' attendance are given on page 76. All members attended every meeting that they were eligible to attend. Detailed papers are prepared and circulated in advance of Committee meetings by both management (including internal audit) and the external auditor, thereby allowing informed discussions, challenge and decision-making to take place at meetings.

The Committee normally invites the Company Chair, the Executive Directors, the Head of Business Assurance and the external auditor to attend its meetings. Time is set aside bi-annually for discussion with the external auditor and with the Head of Business Assurance, in each case in the absence of all Executive Directors. The Committee also has access to the Company's management team and to its auditor and can seek further professional advice, at the Company's cost, if required. The Chair has regular contact with the Chief Financial Officer, and internal and external auditors, in addition to scheduled Committee meetings to ensure that emerging issues are addressed. She also has access to an audit partner independent of the partner responsible for the audit.

## Financial reporting

In 2024 the Audit Committee reviewed the 2023 preliminary results announcement and Annual Report, the 2024 interim results, and reports from the external auditor on the outcome of their reviews and audits.

During the year, and up to the date of this report, the Committee considered key accounting issues and judgements and related disclosures in the Group's accounts. The significant areas of judgement considered by the Committee in relation to the accounts for the 52 weeks ended 28 December 2024 are as follows:

Area of focus

**Accounting for leases**

Under IFRS 16 lease liabilities, representing the obligation to make lease payments, are recognised on the balance sheet together with corresponding right-of-use assets. In the income statement rent costs are replaced by a straight-line depreciation charge on each right-of-use asset, and an interest charge that reduces over the lease term.

At the end of 2024 the Group has recognised right-of-use assets of £387.2 million (2023: £296.6 million) and lease liabilities totalling £415.1 million (2023: £319.6 million). Charges to the income statement of £59.2 million (2023: £54.5 million) in respect of depreciation, £2.1 million (2023: £2.5 million) in respect of net impairment and £13.0 million (2023: £9.6 million) in respect of interest were recognised.

The sensitivities of the assumptions on this amount are set out on page 136.

**Accounting for defined benefit pension scheme buy-in transaction**

In 2024 the Company made a special contribution of £4.5 million to its defined benefit pension scheme which helped facilitate the purchase of a 'buy-in' bulk annuity policy with Aviva. This policy provides regular payments to the scheme to fund pension payments and significantly reduces the Company's exposure to the funding risks associated with its defined benefit pension liabilities.

The valuation of the assets held by the scheme following the buy-in results in an actuarial loss. Although a buy-out of the scheme is possible in the future there is no indication that this will be executed and finalised in the short term. The scheme has retained all responsibility to meet future pension payments to pensioners and the buy-in is therefore not recognised as a settlement.

In accordance with IAS 19 the assets and liabilities of the scheme remain on the Company balance sheet. The loss associated with the purchase of the buy-in policy and other actuarial movements in the year ended 28 December 2024 have been recognised through other comprehensive income.

Action taken

The Committee continues to review and monitor developments in this area to ensure that judgements made are up to date and remain valid and that the approach adopted is still appropriate to the Group's circumstances.

The Committee considers that the judgements made are appropriate to the Group's particular circumstances.

The Committee considered the nature of the buy-in transaction and in particular whether it constituted a settlement of the scheme. The scheme retains responsibility for the administration and payment of pensions and other member benefits and although the purchase of the bulk annuity policy reduces the Company's exposure to funding risk it does not absolve it of this risk. The Committee considers the judgements made are appropriate to the circumstances of the transaction.

The Committee reviewed the accounting treatment and disclosures related to the buy-in transaction and is satisfied that they are in compliance with the relevant accounting standards and provide a clear and transparent view of the transaction's impact on the Company's accounts.

Area of focus	Action taken
<p><b>Fair, balanced and understandable</b></p> <p>The Committee is responsible for advising the Board on whether it believes the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable.</p>	<p>The Committee received a report from the Head of Business Assurance, who is not involved in the preparation of the Annual Report and Accounts and who conducted an independent review of it. The following factors were considered during the course of this review:</p> <ul style="list-style-type: none"> <li>• Ensuring that all the statements are consistent with one another;</li> <li>• Verifying that figures in the narrative sections are consistent with the relevant financial detail;</li> <li>• Identifying any duplication of information;</li> <li>• Confirming that 'bad news' is included, as well as 'good news'; and</li> <li>• Highlighting any inappropriate use of technical language or jargon.</li> </ul> <p>The Audit Committee considered the feedback from this report alongside its own review of the Annual Report and Accounts when making its recommendation to the Board regarding fair, balanced and understandable.</p>
<p><b>Going concern</b></p> <p>The accounts continue to be prepared on a going concern basis.</p>	<p>Information provided by the Chief Financial Officer regarding future financial plans, risks and liquidity was presented to the Committee to enable it to determine whether the going concern basis of accounting remained appropriate.</p> <p>The Committee reviewed and challenged the assumptions used and concluded that the Board is able to make the going concern statement on page 80 of the Directors' Report.</p>
<p><b>Viability</b></p> <p>The Board is required to consider the period over which it is able to conclude that the Company will remain viable, having taken into account severe but plausible risks and risk combinations.</p>	<p>The Committee reviewed the process undertaken by management to support and allow the Directors to assess the Group's long-term prospects and make its viability statement. The Committee considered and provided input into the determination of which of the Group's principal risks and combinations thereof might have an impact on the Group's liquidity and solvency.</p> <p>The Committee reviewed the results of management's scenario modelling and the stress testing of these models. It also reviewed and challenged the assumptions used and concluded that the Board is able to make the viability statement on page 71 of the Strategic Report.</p>

The Committee also considered other key accounting issues and related disclosures in the Group's accounts as follows:

- Whether the principles and judgements applied when management assess property, plant and equipment and right-of-use assets for impairment remain appropriate;
- Whether the treatment and disclosure of material items of income or expense in the year is appropriate, together with the FRC's guidance on the subject;
- Whether the assumptions made in valuing the defined benefit pension scheme liabilities remain appropriate, including consideration of the discount rate, inflation rates and mortality rates as well as the requirements of IFRIC 14: IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction;
- Whether any changes in accounting policy were required following changes in the business or in legislation;
- Whether the Company's tax policy remains appropriate;
- The impact of changes in accounting standards and their relevance, if any, to the Company;
- Whether the Company has considered the FRC's key disclosure expectations, including the points raised in its limited scope review of the Company's 2023 Annual Report and Accounts; and
- Reports from the Company Secretary and Chief Financial Officer which assess the Company's compliance with the Listing Rules.

### Sustainability reporting

The Committee plays a key role in the governance of climate-related reporting, including overseeing the process adopted in relation to identification of the Company's climate-related risks and opportunities and the associated reporting of the Company's TCFD disclosures which are on pages 50 to 58. This approach builds on the foundations adopted last year. The Committee continues to monitor developments in sustainability reporting and will consider the requirements of the two new standards issued by the International Sustainability Standards Board once the UK's endorsement and adoption of these standards is clear. It will also oversee the ongoing development of the Company's transition plan.

### External audit

#### Assessing external audit effectiveness

The Audit Committee discussed and agreed the scope of the audit with the external auditor and agreed their fees in respect of the audit.

The Committee reviewed the effectiveness of the external audit in line with the FRC's 'Practice aid for audit committees' (December 2019). It sought feedback from senior management, by way of a detailed questionnaire, in respect of the effectiveness of the audit process.

The Committee also considered the effectiveness of the audit through the reporting from and communications with the auditor and an assessment of the auditor's approach to key areas of judgement and any errors identified during the course of the audit.

The Committee concluded that the audit was effective and that the relationship with and effectiveness of the external auditor be kept under review.

#### Appointing the auditor and safeguards on non-audit services

The Committee's policy on auditor appointment is to consider annually whether to conduct an audit tender for audit quality or independence reasons. During 2020 the Audit Committee conducted a full tender exercise for the appointment of a new auditor which resulted in the appointment of RSM UK Audit LLP (RSM) as auditor at the AGM in May 2021.

It is the responsibility of the Committee to monitor the independence and objectivity of the external auditor (including the impact of any non-audit work undertaken by it) and its suitability for reappointment.

The Company has a formal policy to ensure that the provision of non-audit services by the external auditor for non-audit work does not compromise the auditor's independence or objectivity. It monitors the level and type of non-audit fees on an annual basis and ensures that the overall level of non-audit fees remains in line with current ethical guidance governing the accounting profession.

The Audit Committee favours a presumption that non-audit work will be awarded to a firm other than the audit firm unless there is a good reason to use the auditor. An annual base plan for non-audit fees paid to the external auditor is agreed in advance by the Audit Committee. Expenditure in accordance with this plan can then be committed without further referral to the Audit Committee. Expenditure that is not included in the agreed plan is subject to strict authority limits and is reviewed by the Committee.

All use of the external auditor for non-audit work must be reported to and approved by the Committee. In circumstances where non-audit fees are significant relative to the audit fee an explanation would be provided in the subsequent Audit Committee Report. In addition, the Audit Committee ensures that the external auditor has its own policies and is subject to professional standards designed to safeguard their independence as auditor.

The Audit Committee has reviewed whether, and is satisfied that, the Company's current auditor, RSM, continues to be objective and independent of the Company. The Committee has approved RSM to provide non-audit services during 2024 in respect of the review of turnover certificates as required by certain shop landlords. Fees of £24,450 were billed during the year for turnover certificate reviews, which represents 7.8% of the audit fee for the year.

#### Appointment of auditor

In accordance with Section 489 of the Companies Act 2006, a resolution for the reappointment of RSM UK Audit LLP will be proposed at the forthcoming AGM. The length of their tenure as external auditor is four years.

### Risk management and internal control

#### Internal control framework

Greggs has an internal control environment designed to protect the business, its customers and our colleagues from the risks which it faces. Management is responsible for establishing and maintaining adequate internal controls and the Audit Committee has responsibility for ensuring the effectiveness of these controls.

The Head of Business Assurance provides an update on Greggs' internal control environment at every Audit Committee meeting, from both risk management and internal audit perspectives. This frequency of reporting ensures timely escalation of any key issues. Whilst the Committee is updated on all internal audit activity, any reports concluding only limited assurance are considered in greater detail, including actions taken in response. This gives Committee members assurance that any control weaknesses identified are being addressed.

As required by the revision to the FRC's UK Corporate Governance Code, the Audit Committee continues to work towards being able to report on the effectiveness of all of our material controls. This will be a requirement from 1 January 2026, and we are in the process of defining our material controls and attributing the relevant assurance sources.

The Committee considers the matters described above to be the main features of the Group's internal control and risk management systems in relation to the financial reporting process for the undertakings included in the consolidation as a whole. The Committee has reviewed the Company's internal control environment and is satisfied that procedures are in place to ensure that assets are well protected, authority levels for expenditure are clear, segregation of duties exists and performance is regularly monitored. Processes are in place to ensure that key controls are being operated and compliance with these processes is the subject of inspection by the internal audit team within the business assurance function, and subsequent review and oversight by the Audit Committee.

### Whistle-blowing

The Company's whistle-blowing policy is available to all employees via the intranet and our 'People Hub', an electronic repository of all relevant colleague information. Posters are displayed in our shops, supply sites and offices. Colleagues are guided regarding how to raise a concern in strict confidence, and the process incorporates three escalation levels. We have also continued to engage with our franchise partners, to support them in developing appropriate protocols where appropriate.

Our Audit Committee Chair is the ultimate contact and resolution point for this process, and received a small number of contacts during the year. All issues raised were thoroughly investigated and successfully resolved, with no formal action being taken.

### Risk management process

The Audit Committee receives an update on risk management at each of its meetings. An annual report provides detail on the overall process to identify, evaluate, monitor and manage risk. This allows the Committee to meet its obligation to oversee the effectiveness of risk management, and to confirm to the Board that arrangements remain appropriate.

The risk management process is explained in more detail on pages 64 to 71.

The Committee has reviewed the risk management process and is satisfied that appropriate arrangements are in place to ensure that existing risks are properly managed across the business and that processes are in place to identify and consider any new and emerging risks in a timely manner.

During the year, the Audit Committee's activities and discussions have included the following:

Area of focus	Action taken
Financial reporting	All judgemental areas in the accounts are considered by the Committee, to provide independent challenge to the process.
TCFD	The Committee considered and agreed the proposed statement regarding TCFD disclosure requirements.
Cyber risk and information security	Cyber risk and information security is considered at Audit Committee meetings, with an update on activity from a risk management perspective, ensuring an ongoing focus on cyber resilience.
Risk management	The Audit Committee has received updates on the continued development of the Company's approach to risk management, including a specific focus on fraud risk, and defining its risk appetite.
Business conduct policy	As a key control over governance, the Committee received assurance that senior colleagues within Greggs complied with the requirements of the business conduct policy throughout the year.
New and emerging risks	New and emerging risks are raised as they arise, and are then discussed by members of the Risk Committee at its next meeting. Any significant matters are escalated to the Audit Committee for further discussion.
Review of principal risks and uncertainties	The Risk Committee discussed and developed the content of the statement of principal risks and uncertainties, based on the strategic risk register. This in turn was considered by the Audit Committee, and approved. The statement can be found on pages 64 to 71.
Viability and going concern status	As part of the annual reporting process, the Committee has reviewed and agreed the Viability Statement and the various scenarios modelled within it, ensuring effective assessment and disclosure.
Effectiveness of internal and external audit	The Committee has reviewed the work and output of the internal audit function during the year. The function's effectiveness throughout the year is formally considered on an annual basis within the year-end processes. An annual review of the external audit is also conducted.

### **Internal audit**

The work of the internal audit function is set out in more detail within the risk management section of this Annual Report. The function is led by the Head of Business Assurance, supported by a team of 31 auditors. The majority of the audit resource is dedicated to the retail estate, including inspection of franchised shops, providing the Audit Committee with assurance that the required controls for safe operation within all of the shops are in place and have been operating effectively.

An annual audit plan is presented each year to the Audit Committee for approval, setting out how the resource will be allocated across the business. Progress against this plan is monitored at subsequent meetings. The effectiveness of the team and its level of resource are reviewed by the Committee annually, including a consideration of outputs, and feedback received from the areas of the business that have been audited.

### **Committee effectiveness**

As noted in the Governance Report on page 76 there was an externally-facilitated evaluation of the Board and its Committees during 2024, conducted by Calibro Consulting. We are pleased that the overall conclusion of the evaluation is that the Audit Committee functions well both in absolute and relative terms, there is a very good mix of skills on the Committee and Committee members are always well prepared. The evaluation highlighted that there is a well-developed and effective audit process and that the Committee focuses on the right issues and challenges appropriately.

The evaluation also identified areas for development, including consideration of the new requirements in relation to the reporting of material controls and their effectiveness. We will look to build on the evaluation feedback in 2025.

The Committee has considered the results of this evaluation and concluded that it operates effectively and that the Board takes assurance from the quality of its work.

### **Kate Ferry**

Chair of the Audit Committee  
4 March 2025

## DIRECTORS' REMUNERATION REPORT

# DIRECTORS' REMUNERATION REPORT

## Dear Shareholder

On behalf of the Remuneration Committee (the 'Committee'), I am pleased to present our Directors' Remuneration Report for 2024 (the 'Report').

The Committee continues to have a transparent approach to remuneration at Greggs. A key focus continues to be workforce fairness and the pay arrangements and support provided to our colleagues across the business. Our people are at the heart of our business and what makes our business successful. Supporting our colleagues and protecting our culture, alongside our shareholders' and wider stakeholders' interests, remains our priority. Our Report aims to be clear, simple and easy-to-read, providing explanations and rationale for our decision-making in the context of Company performance, the longer-term Company strategy (including ESG priorities) and pay arrangements for the wider workforce.

The Report is made up of three key sections:

- My annual **Chair's letter**.
- Our Directors' **remuneration policy**, which was formally approved at our AGM on 17 May 2023 and operates for the three years commencing with the 2023 financial year.
- Our **Annual Remuneration Report**, split into sections that set out:
  - A. How our policy links to Company strategy and reward across the wider workforce;
  - B. Remuneration Committee activity for the 52 weeks ended 28 December 2024;
  - C. How Directors' remuneration will be implemented in 2025 in line with our current remuneration policy; and
  - D. How our remuneration policy was implemented in 2024. This is an audited section of the Report outlining the remuneration of the Executive and Non-Executive Directors during the 52 weeks ended 28 December 2024.

The Annual Remuneration Report, together with this Chair's letter, will be subject to an advisory shareholder vote at the 2025 AGM.

## Remuneration policy

Our remuneration policy consists of the following elements:

- Fixed pay – base salary, pension and benefits; and
- Variable pay – annual bonus (paid in both cash and deferred shares) and Performance Share Plan (PSP) measuring long-term performance and delivered in shares.

## Consideration of the wider workforce

Our colleagues are central to our continued financial success and with this in mind, the Committee carefully monitors and reviews the effectiveness of the Directors' remuneration policy and its impact on and alignment with the remuneration policies in the wider workforce. To support decisions on Executive Directors' pay, the Committee is provided with information detailing the pay and benefits of the wider workforce which gives additional context for the Committee. As well as specific sessions held with colleagues to discuss the work of the Committee, our current remuneration policy and how reward is structured across the business, members of the Committee have engaged with colleagues through our various forums and listening groups throughout 2024 to continue to understand the colleague experience at Greggs. As we move into the development of a new remuneration policy year colleague engagement will form an important part of this process.

The Committee is pleased to see the significant support provided to the wider workforce in the last three years both across base pay awards as well as supporting additional benefits for our teams such as paid breaks and profit share. In the last three years the total base pay increase for our wider workforce has been 19.6%, and based on colleague feedback, we have

increased our matched pension contributions from 4% to 6%, significantly enhanced our family leave policies and in order to further encourage colleague share ownership in the business we reduced the eligibility criteria to three months service to participate in our all colleague share schemes.

For 2025, we face significant headwinds as a business as we address the impact of the National Insurance changes. We have once again implemented a tiered pay award providing a greater percentage increase to support our colleagues on lower rates of pay who have less disposable income. We implemented a base increase of 3.5% across our wider workforce plus an additional 3.3% (6.8% in total) for our retail team members and additional 2.6% (6.1% in total) for our production and warehouse operatives. Additional increases were also offered to our retail supervisors – an additional 2.8% (6.3% in total), and team leaders in supply – an additional 2.1% (5.6% in total), in order to protect the differentials between roles. We also continue to pay breaks to our front line colleagues across the business in both retail and supply which, as they tell us, supports their wellbeing.

On this basis, over 84% of our workforce has received a pay increase of 6.1% or more in 2025 with 85.7% receiving 5.6% or more. Our graded management teams were awarded the base increase of 3.5%.

As well as the pay increase, from January 2025 we further increased the pension provision for our wider workforce, allowing our colleagues to increase their pension contributions up to 7% with matched contributions. This now aligns the pension offering for all colleagues across Greggs. We also increased our colleague discount offering by 10% per week. Colleague discount is offered to all colleagues from day one and is open to an additional card holder after 12 months service.

Finally, one of the unique aspects of Greggs remuneration approach continues to be profit share – with 10% of all our profits being shared with eligible colleagues. We are delighted to say that the profit-share payment this year will see over 27,000 colleagues benefitting from this additional payment that will be made in March 2025.

### Business performance in 2024 and incentive outcomes

As outlined in the Chair's Statement and Chief Executive's Report, 2024 was another record breaking year for Greggs. We exceeded £2 billion in sales for the first time and our colleagues have worked tirelessly to deliver on our strategic ambition to become a multi channel food-to-go retailer. We are now three years into our ambitious five-year plan and our strategy is working, with total sales up 63.8%, and we continue to build the foundations for even more ambitious growth by investing in our manufacturing and logistics capacity. As ever our colleagues' hard work, week after week, has ensured we have continued to grow progressively all the while maintaining the great prices, high-quality products and friendly service that keep our customers coming back again and again.

### Bonus 2024

As disclosed last year, the annual bonus scheme for 2024 was set up with performance targets based on profit (50%), sales (20%) and strategic objectives (30%). We set very stretching target ranges which were designed to ensure that bonus payments would only be made for appropriately significant levels of performance. This included profit targets designed to incentivise growth, sales targets aimed at like-for-like growth and separate objectives linked to driving forward our strategic growth plans in the areas of cost savings, evening sales, delivery sales digital transactions and achieving our ESG targets of food redistribution.

As noted above Greggs had another record breaking year and we were delighted to hit a record £2 billion in sales. Whether in our shops, our manufacturing sites, our distribution network or in head office, our teams stepped up to make sure that we kept pace with the increased customer demand. Due to stretching

targets and a tough trading conditions in a highly competitive retail space we missed our very stretching like-for-like sales target despite our like-for-like sales in company-managed shops being up 5.5% year-on-year. Therefore for our teams, disappointingly, this element of the bonus scheme will not pay out.

Despite this we had strong profit progression and through good cost control and margin management across the year the profit (50%) element of the bonus reached 36.7% payout.

The strategic objectives comprised of a number of separate elements aligned to our strategy, with 10% based on business efficiency/cost savings, 5% based on evening sales, 5% on delivery sales, 5% on increasing food redistribution and 5% on increasing the percentage of transactions on the Greggs App.

There was a strong focus on cost control during the year resulting in the business efficiency/cost saving element paying out in full at 10%.

5% of the bonus was focused on increasing evening sales and 5% in delivery sales and in both areas a very stretching target was applied. The teams worked incredibly hard to manage our growth in the evening and through delivery – there was significant focus across our whole retail estate to support and engage our teams in this initiative and drive customer numbers. Throughout the year, evening continued to be the fastest growing day part, with sales representing 9.0% of company-managed shop sales, up from 8.5% in 2023. With delivery we increased the number of shops offering home delivery to 1,555 (up from 1,440 in 2023) and sales through this channel were up 28.9% compared with 2023. Despite this great progress, these areas of the bonus failed to reach the trigger levels set and therefore pay out. This reflects the very stretching and ambitious targets that were set at the start of the year and both continue to be key focus areas for the business in 2025 with evening sales once again being a strategic metric for the 2025 bonus.

5% of the bonus was focused on increasing the percentage of average transactions involving a Greggs App reward scan. We have continued to make excellent progress in this area and use of the award-winning Greggs App continues to grow, with customers scanning 20.1% of transactions in company-managed shops during 2024 (versus 15.5% in 2023). This strong performance led to a full 5% payout for this element of the bonus.

The final 5% of the bonus was focused on an ESG metric – increasing food redistribution. This again was a challenging target and our teams across the business worked hard in this area. There was an increase in the proportion of unsold food redistributed compared with 2023, and the outcome for the year was just above the threshold target set for this element of the bonus, resulting in 1.3% payout.

The overall performance resulted in a bonus payout of 53.0% of the maximum and the Committee agreed that this reflects the stretching targets that were set and the ambitious plans we set ourselves in a year of strong business performance. The Committee carefully reviewed management's performance against these targets, taking the full business context and stakeholder experience into account and determined that this level of payout was appropriate with no need to apply discretion. For both the Chief Executive and the Chief Financial Officer, this equated to a payment of 66.2% of basic salary (out of a maximum of 125%) for the year. The element of the bonus earned above 50% of the maximum will be paid in shares and will be subject to a two-year holding period.

### PSP vesting in 2024

The three-year performance period for the PSP awards made in March 2022 and due to vest in March 2025 ended on 28 December 2024.

50% of these awards were based on average annual growth in earnings per share (EPS) in the three financial years commencing FY2022 being between 3.0% and 8.0%,

with the other 50% based on the average ROCE over the three financial years commencing FY2022 being between 19.6% and 22.6%. In the event, average annual EPS growth was 6.57% and average annual ROCE was 20.8%. This meant that the EPS element vested at 39.3% and ROCE performance vested at 27.5% giving a vesting performance of 66.8% for the total award.

The Committee has reviewed this outcome in the context of wider business performance and stakeholder experience over the performance period, and is very comfortable that vesting is justified at this level with no need to apply discretion to adjust the outcome.

### Approach for 2025

As we move ahead with our strong growth plans we continue to focus on the fundamental strategic pillars of our business model and the four key growth drivers of our plan to reach our potential in the years ahead, underpinned by The Greggs Pledge. Our remuneration approach continues to align with this strategy. While continuing to act with restraint in remuneration matters, we believe we have a policy and incentive plans that strike the right balance between setting stretching but achievable targets. We ensure we set targets that drive the right decisions for the business, support the wider workforce and shareholders, and at the same time strongly motivate our management teams and therefore enable the retention and recruitment of senior talent.

### Salaries and fees

We have once again reviewed carefully the approach taken with the wider workforce when considering the approach to salary for the Executive Directors for the year ahead. As noted above, over 84% of our workforce has received a pay increase in 2025 of 6.1% or more with 85.7% receiving 5.6% or more. This pay increase was implemented from January 2025 for all our colleagues. Our graded management colleagues received an increase of 3.5% in line with the base increase offered to our wider workforce.

Subsequently the Committee reviewed the pay award of both the Executive Directors and Operating Board and agreed that the awards should be in line with the base increase of 3.5% across the wider workforce.

A consistent approach was taken in relation to the fees for the Board Chair and other Non-Executive Directors' fees, which were also increased by 3.5%.

### Annual bonus

The maximum bonus opportunity for the Chief Executive and the Chief Financial Officer will remain at 125% of salary.

The Committee believes that the current performance measures – profit (50%), sales (20%) and strategic objectives (30%) – remain appropriate and no changes are proposed to these weightings. Profit and sales are critically important to Greggs, and are measures that are closely followed by the market as indicators of the financial health of the business. The strategic objectives will comprise of separate elements with 10% based on business efficiency/cost savings, 5% based on evening sales, 5% based on basket size, 5% based on our digital strategy and 5% based on the implementation of our SAP IT system upgrade programme Next Generation SAP. The use of these measures reflects our desire to incentivise and reward progress on achieving our strategic goals and meeting key business objectives.

The definition of profit within the bonus plan for 2025 onwards will be changed from profit before tax to operating profit. This measure of profitability is considered to be a better measure of underlying profitability that the broader management population can influence and will be adopted as a Key Performance Indicator from 2025 onwards in place of profit before tax.

Targets for these measures have been set in line with the business's annual financial budget and the rolling strategic business plan and are considered to be stretching. Due to commercial sensitivities they are not disclosed within this Report, but will be disclosed retrospectively in next year's Report.

### PSP

For the FY2025 PSP award, as in 2024, the Committee concluded in the interests of continuity of our normal grant policy and the need to maintain appropriate levels of incentivisation, the award should be granted to the Chief Executive and Chief Financial Officer at the normal 150% of salary level (which remains lower than the limit stated in the Directors' Remuneration Policy).

The Committee has considered carefully the performance conditions to apply. We will keep both EPS and ROCE, equally split at 45% of the award. These measures have been used for a number of years and are well understood by participants, by investors and by the wider market as good indicators of long-term financial performance. ROCE will also be key as we seek to secure the benefits of the investments being made in the shop estate and in the supply chain. As outlined in our Financial Review, as well as a continued focus on our shop growth and shop relocation programme we have set out plans to significantly increase capacity in our supply chain. The impact of stepping up our capacity in this way will create additional costs in the short term that are subsequently utilised as we expand our operations. These investments will also have impacts on the capital employed in the business as well as operating costs and financing cash flows. These factors have been taken into consideration when setting our PSP targets for this coming year – full details of which are outlined in the relevant section of the Remuneration Report. For FY2025, we will also be continuing with an ESG metric with a weighting of 10% of the award. Last year we focused on encouraging suppliers to improve public reporting of their net zero commitments and to commit publicly to a net zero target date. The Committee believes that this encouragement has worked well so far, and so for this year's award we have switched back to focusing on our own Scope 1 and 2 CO<sub>2</sub>e emissions out to 2027. As we look to grow the business over that period, at a minimum this will require no increase in our absolute CO<sub>2</sub>e emissions and, at a stretch performance, to reduce our CO<sub>2</sub>e emissions in line with our 2035 net zero target. This metric reflects the importance Greggs continues to place on carbon neutrality and on effectively reducing our carbon footprint intensity as we grow the business.

We have set appropriately stretching performance targets for each measure reflecting the strategic plan and business outlook over the performance period. Full details of the targets are set out later in this Report.

### Pensions

As noted above, having listened to our colleagues, we once again have increased the matched pension contribution for our wider workforce from 6% to 7% of pay as of January 2025. We are committed to supporting our colleagues in saving for their future as any contribution they wish to make up to a maximum of 7% will now be matched by Greggs. All our Executive Directors have had their pension contributions aligned to the majority of the workforce (previously 6% of salary) since 1 January 2024. As of January 2025 this alignment will continue and the pension contribution for our Executive Directors will be increased to 7% of salary.

### Shareholder engagement

We continue to welcome feedback from our shareholders as their views inform our thinking on remuneration matters, in particular when evaluating and setting the remuneration policy and its implementation. The Committee is committed to continue consulting with key shareholders where appropriate and plans to do so in 2025 as we consider the formulation of our new three year Remuneration Policy which will be brought to the AGM in May 2026.

### Committee effectiveness

As noted in the Governance Report on page 76 there was an externally-facilitated evaluation of the Board and its Committees during 2024, conducted by Calibro Consulting.

The Committee has considered the results of this evaluation and concluded that it operates effectively and that the Board takes assurance from the quality of its work.

### AGM

We trust that you will find this Report transparent, clear and informative. The Committee has remained focused on ensuring that executive remuneration is closely aligned to the delivery of Greggs' business strategy whilst continuing to take account of the stakeholder experience, best practice and the wider workforce.

At the AGM this year we will be providing shareholders with the usual advisory vote on the Annual Report on Remuneration. I look forward to receiving your support. If you would like to contact me directly to discuss any aspect of this Report then please email me at [investorrelations@greggs.co.uk](mailto:investorrelations@greggs.co.uk).

### Lynne Weedall

Chair of the Remuneration Committee  
4 March 2025

## Directors' remuneration policy

This section of our Report describes our Directors' remuneration policy, which applies to all Executive and Non-Executive Directors. It explains the purpose and the operation of each element of the remuneration package and explains how Executive Directors are incentivised to achieve sustainable long-term growth and value to best serve the interests of the Company, its shareholders, its colleagues and other stakeholders. Payments to Directors (including payments for loss of office) can only be made if they are consistent with the terms of the approved policy.

The policy has been prepared in line with the relevant legislation for UK companies and was approved by way of a binding vote at the AGM on 17 May 2023 and was applicable as of this date. Our current intention is that the policy will remain in place for three years from the date it was approved.

The policy for the remuneration of the Executive and Non-Executive Directors is set out in the tables below.

## Executive Directors

Element	Purpose and strategy	Operation	Maximum opportunity
Base salary	To attract and retain high-calibre individuals in order to promote the long-term success of the business.	<p>Normally reviewed and set annually in January.</p> <p>Benchmarked periodically by the Committee against the remuneration levels for executives in similar roles in companies of a comparable size. Individual performance and contribution are recognised in setting salary levels.</p> <p>Salaries are paid monthly in cash.</p>	No maximum limit is prescribed. Key reference points for salary increases are market and economic conditions and, in line with our values, the approach to colleague pay throughout the organisation.
Benefits	To support a competitive remuneration package in the marketplace.	Benefits include provision of a company car (or cash in lieu), private medical health care, life assurance and permanent health insurance.	No maximum limit is prescribed, particularly as the cost of providing insured benefits fluctuates over time. However, the Committee monitors on an annual basis the overall cost of the benefit provision.
Pension	To ensure that pension contributions are aligned to the rate applying to the majority of the workforce over time.	<p>Executive Directors can elect to either:</p> <ul style="list-style-type: none"> <li>Participate in the Company defined contribution pension scheme (up to a cap). Above the cap Executive Directors receive a salary supplement; or</li> <li>Take cash in lieu of this contribution paid as a supplement to their salary on a monthly basis.</li> </ul> <p>The Executive Directors are able to make this choice on an annual basis.</p>	The pension contributions rate of all Executive Directors is aligned to the rate applying to the majority of the workforce.

## DIRECTORS' REMUNERATION REPORT CONTINUED

Element	Purpose and strategy	Operation	Maximum opportunity
Annual bonus (including profit share)	To incentivise achievement of annual targets and objectives consistent with the short to medium-term strategic needs of the business, so as to encourage sustainable growth in the Company's operating profits.	<p>The bonus will be based on a mix of business KPIs, with a majority based on financial measures.</p> <p>Targets for each metric are set in advance by the Committee, in line with business planning objectives.</p> <p>Each Executive Director is entitled to participate in the Company's profit-sharing scheme available to all colleagues. The value of this is then deducted from their annual bonus and is subject to the individual cap.</p> <p>The Committee will use appropriate underpins for any non-profit based element of the annual bonus such that payment under these elements may be scaled back (potentially to zero), at the discretion of the Committee, if the operating profit performance for the year is judged to be running significantly below that required for the achievement of the long-term strategy.</p> <p>The Committee will be able to adjust the formula-driven outcome from any bonus plan if, in the judgement of the Committee, this does not reflect broader Company performance or the shareholder experience, or the payment level is otherwise inappropriate.</p> <p>Any bonus paid in excess of 50% of the maximum will be payable in shares, which (after any sales to pay tax and other statutory deductions) must be held in the Greggs Employee Benefit Trust for two years after receipt.</p> <p>The dividends payable on deferred bonus shares are paid to the individual as they fall due.</p> <p>Recovery and withholding provisions allow the Company to recoup annual bonus payments within three years in the event of misstatement of performance, error, misconduct, reputational damage or corporate failure where this has led to an overpayment in the view of the Committee. There is a flexible mechanism which allows the Company to withhold outstanding deferred or future remuneration or recover the overpayment direct from the individual concerned.</p>	<p>Capped at 150% of base salary for all Executive Directors.</p> <p>On target performance delivers no more than 50% of the maximum.</p> <p>No more than 25% of the bonus opportunity is payable under each element for threshold performance.</p>

Element	Purpose and strategy	Operation	Maximum opportunity
Performance Share Plan (PSP)	To incentivise long-term value creation, retention of our talent and ensure alignment of Executive Directors' and shareholders' interests.	<p>Awards are normally granted under the PSP annually at the discretion of the Committee.</p> <p>Performance conditions will be based on long-term KPIs, with a majority weighting on financial measures with targets being set for each metric which reflect the strategic plan and business outlook over the respective performance period.</p> <p>Performance will be measured over a three-year period with an additional mandatory holding period of two years for the vested shares (net of tax and other deductions).</p> <p>A PSP award holder may be entitled to a dividend equivalent payment in respect of any vested shares.</p> <p>The Committee will be able to adjust the formula-driven outcome from the PSP if, in the judgement of the Committee, this does not reflect broader Company performance or the shareholder experience, or the vesting level is otherwise inappropriate.</p> <p>Recovery and withholding provisions allow the Company to recoup vested PSP awards within three years in the event of misstatement of performance, error, misconduct, reputational damage or corporate failure where this has led to an overpayment in the view of the Committee. There is a flexible mechanism which allows the Company to withhold outstanding deferred or future remuneration, or recover the overpayment directly from the individual concerned.</p>	<p>200% of base salary for the Chief Executive and 175% of base salary for other Executive Directors (200% of base salary in exceptional circumstances).</p> <p>Threshold vesting at 25% of the maximum.</p>
All colleague share schemes (SAYE and SIP)	To encourage colleagues at all levels within the Company to understand better and so participate in the growth in value of the Company.	No performance conditions have been attached to awards granted pursuant to the Company's SAYE and SIP schemes, which are available for all eligible colleagues.	Executive Directors may participate alongside eligible colleagues to the extent permitted by HMRC limits.
Share retention guidelines	To further align the interests of Executive Directors to those of shareholders.	<p>Executive Directors are required to build up a shareholding of 200% of base salary. Where an Executive Director has not reached the required level, 50% of the shares vesting from incentive schemes must be held until this requirement has been met.</p> <p>This is achieved through vested awards granted via the PSP and deferred bonus shares.</p> <p>For all Executive Directors there is a two-year post-employment holding requirement at the lower of the level of the shareholding guideline immediately prior to departure or the actual shareholding at departure.</p>	n/a

## Non-Executive Directors

Element	Purpose and strategy	Operation	Maximum opportunity
Chair and Non-Executive Directors' fees	To attract and retain high-quality and experienced Non-Executive Chair and Directors.	<p>The Chair is paid an all-encompassing fee.</p> <p>Non-Executive Directors are paid a basic fee and the Chairs of the Board Committees, the Senior Independent Director and the Non-Executive Director with responsibility for colleague engagement are paid an additional fee to reflect their additional responsibilities.</p> <p>These fees are usually reviewed and set annually. Additional fees may be paid where there is a material increase in the time commitments or responsibilities required of Non-Executive Directors or following a review of market rates.</p> <p>Non-Executive Directors are not eligible for pension scheme membership, bonus or incentive arrangements.</p> <p>They are entitled to reimbursement of reasonable business expenses and tax thereon. They may also receive limited travel or accommodation-related benefits in connection with their role as a Director.</p>	There is no prescribed maximum.

### Choice of performance measures and policy discretion

The remuneration policy provides the Remuneration Committee with the flexibility to choose appropriate performance conditions for the annual bonus scheme and for PSP awards, subject to the constraints set out in the table above. The choice of metrics will depend upon the strategic focus for the Company at the time decisions around the awards are taken. The specific measures and the targets used to assess performance will be disclosed in the Directors' Remuneration Report on an annual basis. For further information, please see the section titled 'How our remuneration links to strategy and reward across the wider workforce' on pages 106 and 107.

The Committee will operate incentive plans in accordance with their respective rules, the Listing Rules and HMRC limits where relevant. The Committee, consistent with market practice, retains discretion over a number of areas relating to the operation and administration of certain plan rules. These include (but are not limited to) the following:

- Who participates;
- The timing of the grant of award and/or payment;
- The size of an award (up to plan/policy limits) and/or a payment;
- Discretion relating to the measurement of performance in the event of a change of control or reconstruction;
- Determination of a good leaver (in addition to any specified categories) for incentive plan purposes and the treatment of leavers; and
- Adjustments required in certain circumstances (i.e. rights issues, corporate restructuring and special dividends), and the ability to adjust, but not waive, existing performance conditions for exceptional events so that they can still fulfil their original purpose.

### Difference in remuneration policy across the Group and consideration of employment conditions elsewhere in the Group

The remuneration policy for the Executive Directors is designed having regard to the policy for colleagues across the business as a whole and wider workforce remuneration and related policies. Further information is provided in the section titled 'How our remuneration links to strategy and reward across the wider workforce' on pages 106 and 107.

### Statement of consideration of shareholder views

When setting the remuneration policy and determining its implementation, the Committee takes into account the views of shareholders, their representative bodies and other interested parties such as proxy advisers. The Committee regularly consults major shareholders on proposed changes to the policy, and did so during 2022 in respect of the current policy implemented in 2023. The Committee considered comments received from shareholders before finalising the terms of the policy.

### Legacy arrangements

For the avoidance of doubt, in approving this policy, authority is given to the Company to honour any commitments entered into with current or former Directors (such as the payment of a pension or the unwinding of legacy share schemes) that have been disclosed to shareholders in previous remuneration reports. Details of any of these payments to former Directors will be set out in the Annual Report on Remuneration as they arise.

### Policy on recruitment remuneration

The Committee will set a new Executive Director's remuneration package in line with the Company's approved policy at the time of appointment. In arriving at a total package and in considering the quantum for each element of that package, the Committee will take into account the skills and experience of the candidate, the market rate for a candidate of that experience as well as the importance of securing the best available candidate.

Annual bonus and PSP awards will not exceed the policy maxima (not including any arrangements to replace forfeited pay). Participation in the annual bonus plan will normally be pro-rated for the year of joining. The Committee may make one-off additional cash and/or share-based awards as it deems appropriate, and if the circumstances so demand, to take account of pay forfeited by an Executive Director on leaving a previous employer. Awards to replace pay forfeited would, where possible, reflect the nature of awards forfeited in terms of delivery mechanism (cash or shares), time horizons, attributed expected value and performance conditions. Other payments may be made in relation to relocation expenses and other incidental expenses as appropriate. Any buyout awards would be made under existing arrangements where possible or as permitted under the Listing Rules.

In the case of an internal appointment, any variable pay element awarded in respect of the prior role would be allowed to pay out according to its terms and any other ongoing remuneration obligations existing prior to appointment would continue.

In line with our remuneration policy, all new Executive Directors will have their pension contribution aligned to the rate applying to the majority of the workforce.

For the appointment of a new Chair or Non-Executive Director, the fee arrangement would be set in accordance with the approved remuneration policy at that time.

### Service contracts and policy on cessation

Executive Directors' service contracts contain the following remuneration-related aspects:

Provision	Detailed terms
Remuneration	<ul style="list-style-type: none"> <li>• Salary, pension and benefits;</li> <li>• Company car or cash allowance;</li> <li>• Private medical health care for the Director;</li> <li>• Permanent health insurance;</li> <li>• Participation in annual bonus and profit share (subject to scheme rules);</li> <li>• Participation in long-term incentive schemes or similar arrangements (subject to scheme rules); and</li> <li>• Life assurance.</li> </ul>
Notice period	<ul style="list-style-type: none"> <li>• The Chief Executive's service contract is terminable on 12 months' notice served by either the Company or the Director;</li> <li>• The Chief Financial Officer's service contract is terminable on 12 months' notice served by the Company or by six months' notice served by the Director; and</li> <li>• Any future Executive Directors' service contracts will be terminable on up to 12 months' notice served by either party.</li> </ul>
Termination payment	<ul style="list-style-type: none"> <li>• Payment in lieu of notice equal to any unexpired notice of termination given by either party; and</li> <li>• Payment in lieu shall not include: <ul style="list-style-type: none"> <li>– Any bonus payment;</li> <li>– Any payment in respect of benefits which the Director would have been entitled to receive; and</li> <li>– Any payment in respect of any holiday entitlement that would have accrued during the period for which the payment in lieu is made.</li> </ul> </li> </ul> <p>Details of the circumstances in which the Committee has the ability to exercise discretion with regards to termination payments are set out below.</p>

Under their service contracts, if notice is served the Executive Directors are entitled to salary, pension contributions and benefits for their notice period save where a payment in lieu is to be made. The Company would seek to ensure that any payment is mitigated by use of phased payments and offset against earnings elsewhere in the event that an Executive Director finds alternative employment during their notice period. There are no contractual provisions in force other than those set out above that impact any termination payment.

Areas where the Committee can exercise discretion with regards to termination payments are set out below:

- Any right to annual bonus in the year of departure would lapse unless the individual is leaving in good-leaver circumstances, in which case a bonus may be payable pro-rated for that part of the year worked;
- Deferred bonus shares must normally be retained in trust until the end of their two-year holding period, but may be released early in exceptional circumstances, such as ill-health;
- Any unvested awards held under the PSP will lapse at cessation, unless the individual is leaving in good-leaver circumstances (defined under the plan as death, injury, ill-health, disability, redundancy, retirement, their office or employment being with either a Company which ceases to be a Group member or relating to a business or part of a business which is transferred to a person who is not a Group member, a change of control or any other reason the Committee so decides). In these circumstances, unvested awards will normally vest at the normal vesting date (other than on death or where the Committee decides they should vest at cessation) subject to performance conditions being met and scaling back in respect of actual service as a proportion of the total vesting period (unless the Committee decides that scaling back is inappropriate). Vested awards will normally be subject to the mandatory two-year holding period although the Committee will have discretion to waive this in exceptional circumstances; and
- The Committee may agree to payment of disbursements such as legal costs and outplacement services if appropriate and depending on the circumstances of cessation.

The table below sets out the details of the Executive Directors' service contracts:

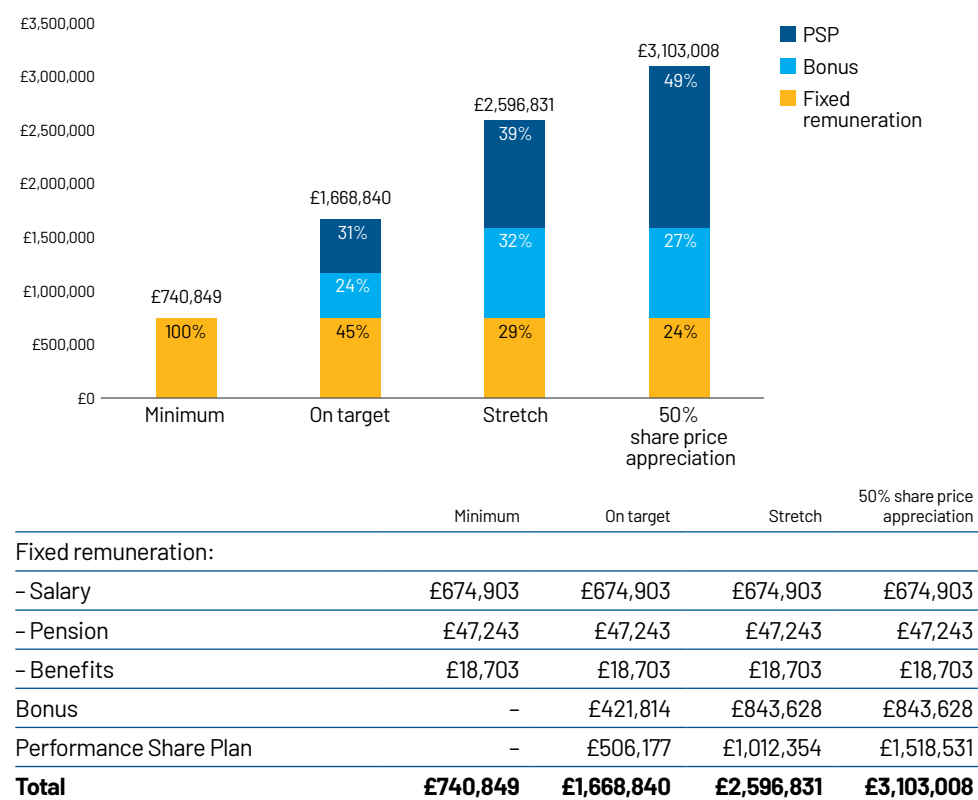
Director	Date of contract
Roisin Currie	1 February 2022
Richard Hutton	7 April 2006

The service contracts are available for inspection during normal business hours at the Company's registered office, and are available for inspection at the AGM.

## Expected value of the proposed annual remuneration package for Executive Directors

The following charts indicate the level of remuneration payable to Executive Directors in 2025 based on policy at minimum remuneration, remuneration in line with 'on target' Company performance, and the maximum remuneration available.

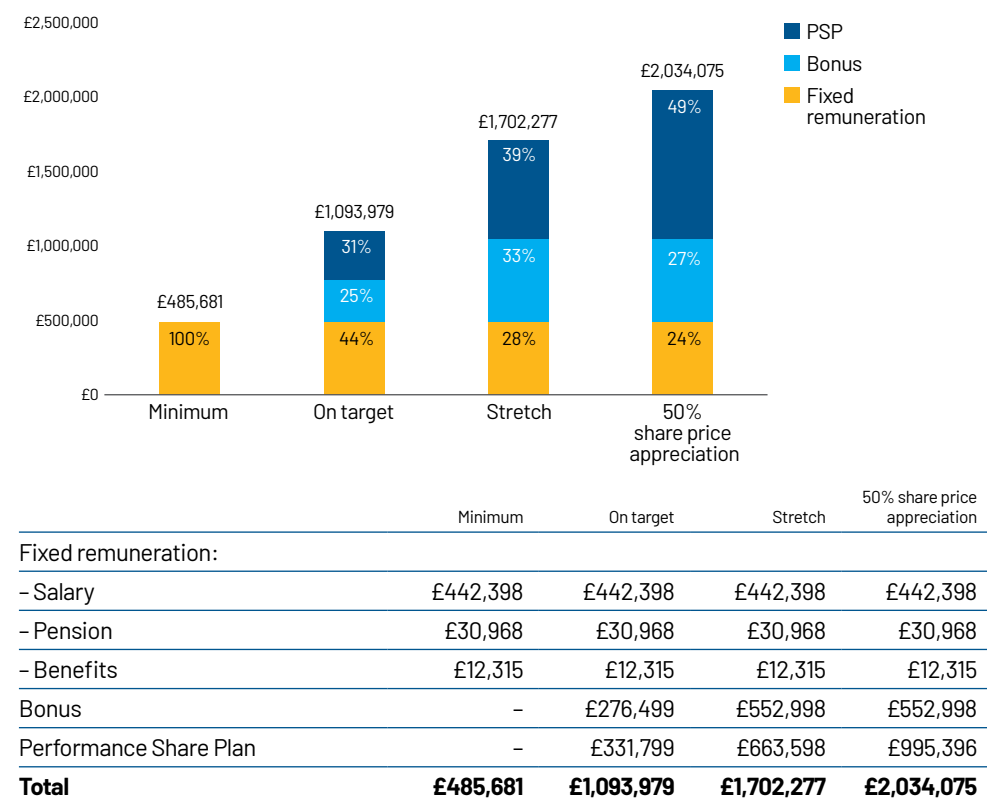
### Chief Executive – Roisin Currie



Assumptions used in the charts:

- Base salary levels as at 1 January 2025.
- Pension at the wider workforce rate (currently 7%).
- The value of taxable benefits is based on the cost of supplying the benefits at the agreed level.

### Chief Financial Officer – Richard Hutton



### Bonus

Minimum remuneration – assumes no award is earned under the annual bonus plan.

- On target remuneration – the annual bonus plan assumes the target level is reached for each of the elements, resulting in a payout of 50% of the maximum.
- Stretch remuneration – assumes satisfaction of all performance conditions for all elements under the annual bonus plan and therefore full payout.

**PSP** element is calculated as award percentage of base salary multiplied by the relevant vesting percentage. Share price movement and dividend accrual have been excluded, other than in the 50% share price appreciation model.

- Minimum remuneration – assumes no vesting is achieved under the PSP.
- On target remuneration – assumes 50% vesting is achieved.
- Stretch remuneration – assumes 100% vesting is achieved.

**Terms of appointment of Non-Executive Directors**

Non-Executive Directors are appointed subject to the Company's articles of association, retiring and seeking election at the first AGM after appointment.

Thereafter, every Director will be subject to annual re-election by shareholders. The Nominations Committee advises the Board as to whether Directors should be nominated for re-election. Non-Executive Directors are not entitled to compensation for early termination of their appointments prior to the date on which they would next be due to offer themselves for election or re-election, or if not reappointed at such time.

The letters of appointment for the Non-Executive Directors are available for inspection during normal business hours at the Company's registered office, and are available for inspection at the AGM.

The following table shows the effective date of appointment for each Non-Executive Director:

Non-Executive Director	Original date of appointment
Matt Davies	2 August 2022
Kate Ferry	1 June 2019
Mohamed Elsarky	21 June 2021
Lynne Weedall	17 May 2022
Nigel Mills	7 March 2023
Tamara Rogers	1 June 2024

Current Non-Executive Directors are appointed on an understanding that the appointment will last for at least six years, but without any commitment by either party.

All new Non-Executive Directors are appointed for an initial term of three years unless terminated earlier by either party giving to the other party three months' written notice.

**A. How our remuneration links to strategy and reward across the wider workforce**  
**Link to strategy**

Growth drivers	Strategic pillars and key drivers of growth	The Greggs Pledge
Remuneration at Greggs is intended to incentivise sustainable and profitable business growth. This is reflected in key metrics in the variable pay incentive plans including operating profit, like-for-like sales, cost savings, EPS and ROCE.	Delivery against the four strategic pillars – 'Great tasting, freshly prepared food', 'Best customer experience', 'Competitive supply chain' and 'First-class support teams' – is incentivised as appropriate by strategic metrics in the annual bonus scheme, for example, evening sales, basket size, digital growth targets and key strategic project deliverables.	Our commitment to deliver these goals is supported with the inclusion of ESG targets in the incentive schemes, such as carbon reduction targets.

## Reward across the wider workforce

The remuneration policy for the Executive Directors is designed having regard to the policy for colleagues across the Group as a whole and wider workforce remuneration and related policies. There are differences in salary levels and in the levels of potential reward depending upon seniority and responsibility, although a key reference point for Executive Director salary increases is the average base pay increase across the general workforce.

We share 10% of our profits annually with our colleagues across the business, and everyone is eligible to participate in this profit-sharing scheme after six months' service.

Share incentive schemes and bonus participation extends below Board level, with a separate share option scheme in place for senior management colleagues and a bonus scheme for graded management. Both the share option and management bonus schemes are aligned to those of the Executive Directors and are subject to the same performance targets and measures. A higher proportion of the Executive Directors' remuneration package is delivered through performance-related incentive schemes, much of which is in share-based form, which provides a good link to long-term Company performance and the shareholder experience.

All colleagues with three months' service or more may participate in the sharesave scheme (SAYE) (where colleagues can save to purchase shares at the end of a three-year period at a 20% discount to the price at the date of grant) and in the Share Incentive Plan (SIP) (where colleagues can purchase shares from pre-tax salary subject to HMRC limits). These schemes are generally offered annually.

For FY2025, we have implemented an increase in matched pension contribution up to 7% which means all colleagues, irrelevant of level have the same matched pension contribution levels. The pension contribution rate for our Executive Directors is aligned to the contribution rate for the majority of our workforce now set at 7% as of January 2025.

## Compliance with the UK Corporate Governance Code

The Directors' remuneration policy is fully compliant with the relevant factors set out in the UK Corporate Governance Code:

Clarity	We are open and transparent in our approach to remuneration taking into account the experience of our colleagues, shareholders and stakeholders. We regularly engage with stakeholders on remuneration matters.
Simplicity	Our remuneration policy is simple and consistent in its approach. Senior management share option and management bonus schemes are aligned to those of the Executive Directors and are subject to the same performance criteria.
Predictability	Our remuneration policy clearly outlines the details of maximum opportunity levels for each component of pay. Incentive levels vary depending on the level of performance against specific metrics. The typical award levels and potential pay-outs are disclosed in the remuneration policy and it is demonstrated in each year's Remuneration Report how outcomes are aligned with performance and strategy.
Proportionality, risk and alignment to culture	<p>Pay outcomes are dependent upon performance linked to our business strategy and growth plans, as well as taking into account our wider workforce remuneration and specific Greggs culture. This ensures a significant proportion of pay is delivered in shares to provide alignment with investors and incorporates other best practice features in line with the UK Corporate Governance Code and investor guidelines.</p> <p>The use of annual bonus deferral and PSP holding periods provides a clear link to the ongoing performance of the business and therefore alignment with shareholders.</p> <p>The Committee has the discretion to apply malus and clawback in both the annual bonus and PSP.</p>

**B. Remuneration Committee activity for the 52 weeks ended 28 December 2024**

**Meetings during the year**

The Remuneration Committee met three times during the year. Details of the Committee members' attendance are given on page 76.

All members are considered to be independent for the purpose of the UK Corporate Governance Code. The Company Secretary acts as Secretary to the Committee.

**Role and responsibilities**

Responsibility is delegated to the Remuneration Committee to ensure that an effective remuneration policy is in place for the Chief Executive, other Executive Directors, the Chair and senior management, whilst reviewing and taking into account wider workforce remuneration and the Company's values and culture. It is the Committee's role to establish a remuneration policy that promotes both long-term shareholdings by Executive Directors and ensures alignment of policies and practices to support business strategy, promote the long-term sustainable success of the business and meet shareholder expectations.

**Summary of Committee activity during 2024**

Details of some of the activities the Committee has undertaken have been summarised below:

- Reviewed all colleague remuneration and the 2025 pay award for colleagues;
- Discussed and agreed Directors' and Operating Board salaries for 2025;
- Agreed the targets for the 2025 bonus;
- Agreed the targets for the 2025 PSP award;
- Discussed the 2024 bonus outturn and 2022 PSP award vesting in the context of the original performance targets set, as well as the wider socio-economic environment and the experience of the wider workforce;
- Approved grants under the PSP to Executive Directors and the Operating Board and under the share option scheme to senior managers below Executive Director and Operating Board level;
- Approved the all-colleague SAYE and SIP schemes for the year ahead;
- Discussed and agreed the fees for the Chair;
- Reviewed Executive Directors' and Operating Board shareholdings in the Company, in the context of shareholding guidelines;
- Reviewed and discussed the results of the external Board evaluation (as outlined in the Governance Report); and
- Attended colleague forums to understand wider workforce views.

**Structure and content of the Remuneration Report**

The Remuneration Report has been prepared in accordance with the provisions of the relevant remuneration reporting regulations (the 'Regulations'). It also meets the requirements of the UK Listing Authority's Listing Rules.

The Regulations also require our auditor to report to shareholders on the audited information within this Remuneration Report and to state whether, in their opinion, the relevant sections have been prepared in accordance with the Act and the Regulations. The auditor's opinion is set out on pages 121 to 127. and we have indicated appropriately the audited sections of this Remuneration Report.

**Remuneration advice**

The Chief Executive along with Jonathan Jowett (Company Secretary and General Counsel) and Emma Walton (People Director) are normally invited to attend Committee meetings in order to provide advice and support to the Committee. The Chief Financial Officer attends where required. During the year Korn Ferry (which has no other connection to the Company or any individual Director) provided remuneration advice to the Committee. Korn Ferry was appointed by the Committee in 2017 following an informal tender process.

Korn Ferry is a signatory to the Remuneration Consultants' Code of Conduct in relation to executive remuneration consulting in the UK.

The Committee reviewed the operating processes in place at Korn Ferry and is satisfied that the advice it receives is objective and independent. Fees paid to Korn Ferry during the year were £25,565.

**AGM voting outcomes**

The Directors' Remuneration Report was the subject of an advisory vote at the 2024 AGM and the results are outlined below.

	Approve the Remuneration Report	
	Total number of votes	% of votes cast
For	74,087,096	97.85%
Against	1,627,737	2.15%
Total votes cast (excluding votes withheld)	75,714,833	100.00%
Votes withheld	15,130	
Total votes cast (including votes withheld)	75,729,963	

Shareholders were asked to approve the remuneration policy at the 2023 AGM and the results are outlined below:

	Approve the remuneration policy	
	Total number of votes	% of votes cast
For	72,411,666	97.89%
Against	1,564,590	2.11%
Total votes cast (excluding votes withheld)	73,976,256	100.00%
Votes withheld	67,008	
Total votes cast (including votes withheld)	74,043,264	

### C. How our remuneration policy will be implemented in 2025 – Executive Directors

The section below summarises the implementation of our remuneration policy for 2025.

#### Base salary 2025

The annual base salaries for the Executive Directors were reviewed with effect from 1 January 2025; increases and current salaries are outlined below:

Director	Salary 1 January 2024	Salary 1 January 2025	% increase
Roisin Currie (Chief Executive)	£652,080	£674,903	3.5%
Richard Hutton (Chief Financial Officer)	£427,438	£442,398	3.5%

With over 84% of the workforce receiving a pay increase of 6.1% or more for 2025, and over 85% receiving 5.6% or more, the Committee is comfortable the increase for the Executive Directors is appropriate, being proportionally lower than the wider workforce while ensuring that salary for the Executive Directors does not fall materially behind mid-market levels.

#### Pension contribution 2025

We are delighted to confirm that we have further increased the matched pension contribution for our wider workforce from 6% to 7% of pay as of January 2025. This ensures our pension contributions for all colleagues at Greggs are now aligned irrelevant of role and we continue to support our colleagues in saving for their future as any contribution they wish to make up to a maximum of 7% will now be matched by Greggs. The pension contributions for the Executive Directors are aligned with the rate for the majority of the workforce, accordingly the rate has increased to 7% of salary with effect from 1 January 2025.

The pension contribution rates for 2025 (all of which are cash in lieu) are:

Roisin Currie	7.0%
Richard Hutton	7.0%

#### Annual bonus 2025

The annual bonus opportunity for 2025 is outlined below:

Chief Executive	Maximum opportunity of 125% of base salary. Bonus in excess of 50% of maximum will be payable in shares deferred for two years.
Chief Financial Officer	Maximum opportunity of 125% of base salary. Bonus in excess of 50% of maximum will be payable in shares deferred for two years.

The annual bonus is based on performance against a range of financial and strategic performance measures. This range of metrics measures achievement of the Company's key operational objectives. The Committee reviews the KPIs each year and varies them as appropriate to reflect the priorities for the business in the year ahead. Where appropriate a sliding scale of targets is set for each KPI to encourage continuous improvement or sustained high performance, with a maximum of 10% bonus paid out for threshold performance for the profit and sales elements.

Targets are normally set at the start of the year by the Committee using the outturn and performance in the previous year, as well as the business plan, to determine appropriately stretching sliding scales. Bonus targets for the forthcoming year are considered to be commercially sensitive. Retrospective disclosure of the targets and performance against them will be made in next year's Annual Report on Remuneration.

The bonus metrics are:

Measure	Profit	Sales	Strategic objectives
Weighting	50% of total	20% of total	30% of total
Detail and link to strategy	Reflects the profit <sup>1</sup> of the Group (excluding exceptional items) before tax. This will be based on meeting and exceeding budget for the year.	Based on company-managed shop like-for-like sales excluding any additional shops opened during the bonus year.	Outlined below.

<sup>1</sup> The definition of profit within the bonus plan for 2025 onwards will be changed from profit before tax to operating profit. This measure of profitability is considered to be a better measure of underlying profitability that the broader management population can influence and will be adopted as a KPI from 2025 onwards in place of profit before tax.

The strategic objectives for each bonus cycle are based on measures which will provide a strong link to strategy and our four key growth drivers.

For the 2025 bonus there will be five strategic objectives. They are:

- 10% based on business efficiency/cost savings;
- 5% based on growth in evening sales;
- 5% based on growth in basket size;
- 5% based on digital metrics linked to the Greggs App; and
- 5% based on the implementation of our SAP IT system upgrade programme Next Generation SAP.

Following a review of performance by the Committee, any payment under the non-profit based element of the bonus may be scaled back (potentially to zero) at the discretion of the Committee in the event that the profit performance for the year is judged to be running significantly below that required for the achievement of the long-term strategy.

**PSP award 2025**

The Committee has concluded that in the interests of continuity of our normal grant policy and the need to maintain an appropriate level of incentivisation, the FY2025 PSP award should be granted to the Chief Executive and Chief Financial Officer at the normal 150% of salary level (which remains lower than the limit stated in the Directors' Remuneration Policy). A provision has been added to the award that will require the Committee to review the value of the award on vesting. If, at that time, the Committee considers that there has been a windfall gain for Directors, the Committee may scale back the number of shares vesting to what it considers to be a more appropriate value.

Chief Executive	150% of base salary
Chief Financial Officer	150% of base salary

The PSP awards for the Executive Directors are normally granted in the period following the announcement of the financial results for the prior year.

For the awards in FY2025 we will have three performance measures. We will keep both EPS and ROCE, equally split at 45% of the award, with an ESG metric comprising the remaining 10% of the award. This will be focused on our own Scope 1 and 2 CO<sub>2</sub>e emissions out to 2027, ensuring we maintain a strategic link to The Greggs Pledge within our PSP award.

With regard to the EPS and ROCE metrics this year, the Committee considered carefully the current strategic business plan and business outlook. Across the three-year period of this award, managing ROCE will be key as we seek to secure the benefits of the investments being made in the shop estate and in our supply chain. As outlined in our financial review, the impact of stepping up our capacity in this way is to create additional costs in the short term that are subsequently utilised as we expand our operations. These investments will impact the capital employed in the business as well as operating costs and financing cash flows.

In the context of this investment phase, for the 2025 awards the target ranges will be as follows:

- The EPS performance condition will require average annual growth in EPS over the performance period to be between 2% and 5%. This growth range is based on the FY2024 EPS, which was an all-time-high level of earnings;
- The ROCE condition will require average ROCE over the performance period to be between 16.1% to 18.5%; and
- The ESG carbon metric will require a reduction in absolute Scope 1 and 2 CO<sub>2</sub> emissions over the performance period in line with our net zero target (based on the underpin of no increase in absolute emissions at the end of 2027:
  - 25% of the incentive is awarded if absolute Scope 1 and 2 CO<sub>2</sub>e emissions are maintained at 2024 levels (41,710 tCO<sub>2</sub>e) despite business growth.
  - on a sliding scale up to a maximum of;
  - 100% of the incentive is awarded if absolute Scope 1 and 2 CO<sub>2</sub>e emissions are reduced in line with our 2035 net zero target (30,164 tCO<sub>2</sub>e).

The Committee is satisfied that the EPS and ROCE target ranges are appropriately stretching and are equivalently demanding as the targets set for prior years' awards. For all three performance measures, 25% of an award will vest on achieving threshold performance and thereafter straight-line sliding scales will apply until stretch performance is achieved. The performance period of this award will be 2025 to 2027.

A holding period is attached to vested PSP awards, requiring the vested shares to be held (net of tax and other deductions) for a further two years.

## How our remuneration policy will be implemented in 2025 – Non-Executive Directors

In order to ensure that no Director is involved in deciding their own remuneration, the fees payable to Non-Executive Directors are set, after consultation with the Chair, by a Committee of the Board consisting only of the Executive Directors. The fees payable to the Chair are set by the Remuneration Committee.

The Non-Executive Directors are paid an annual base fee and additional responsibility fees for the role of Senior Independent Director (SID), for chairing a Board Committee or for being the Non-Executive Director with responsibility for colleague engagement.

These fees are usually reviewed and set annually. The fees were increased by 3.5% on 1 January 2025 in line with the base salary increase agreed for Executive Directors and similarly the fee for the Chair was increased by 3.5% on 1 January 2025.

Details of the fees being paid to Non-Executive Directors in 2025 are set out below:

Name	Position	Base fee from 1 January 2025	Annual additional fee from 1 January 2025	Total fee 2025
Matt Davies	Board Chair	£270,394	–	£270,394
Kate Ferry	Chair of the Audit Committee	£59,200	£13,498	£72,698
Mohamed Elsarky	Non-Executive Director with responsibility for colleague engagement	£59,200	£5,408	£64,608
Lynne Weedall	Chair of the Remuneration Committee	£59,200	£13,498	£72,698
Nigel Mills	Non-Executive Director and SID	£59,200	£13,498	£72,698
Tamara Rogers	Non-Executive Director	£59,200	–	£59,200

These fees may be subject to change during the year based on any change in responsibility or time commitment or to ensure they remain in line with market rates.

## D. How our remuneration policy was implemented in 2024

### Total Executive Director remuneration payable for 2024 (audited)

The following table presents the remuneration payable for 2024 (showing the equivalent figures for 2023) for the Executive Directors.

	Salary £	Pension contribution (including salary in lieu) £	Taxable benefits <sup>3</sup> £	Total fixed remuneration £	Annual incentives (including profit share) £	Performance Share Plan <sup>1</sup> £	Total variable remuneration £	Total remuneration £
Roisin Currie								
2024	652,080	37,912	18,703	708,695	432,003	670,273	1,102,276	1,810,971
2023	624,000	23,747	24,771	672,518	661,785	424,056 <sup>2</sup>	1,085,841	1,758,359
Richard Hutton								
2024	427,438	24,434	12,314	464,186	283,178	439,361	722,539	1,186,725
2023	409,032	15,149	12,307	436,488	433,800	577,358 <sup>2</sup>	1,011,158	1,447,646

1 The values of the PSP award for 2024, due to vest on 28 March 2025 for Richard Hutton and 18 May 2025 for Roisin Currie are based on the level of vesting (66.8%) and the average share price over the final three months of the 2024 financial year (£27.88). The amount attributable to share price appreciation is £148,981 for Roisin Currie and £45,486 for Richard Hutton. Figures will be trued up in the 2025 Report to reflect the share price at the vesting date.

2 For the 2023 PSP award the value last year was based on the average share price over the three months prior to the 2023 year end (£24.62). The value has now been updated for the actual price on vesting on 6 April 2024 of £27.62, together with the updated total remuneration figures. The values were increased by £46,031 for Roisin Currie and £62,672 for Richard Hutton.

3 Taxable benefits relate to cash-in-lieu of a company car, private medical health care and travel expenses paid.

### Fees for Non-Executive Directors (audited)

The fees for Non-Executive Directors were as follows:

	2024	2023
Matt Davies	£261,250	£250,000
Kate Ferry	£70,240	£67,215
Mohamed Elsarky	£62,423	£57,826
Lynne Weedall	£70,240	£67,215
Nigel Mills	£70,240	£52,443
Tamara Rogers <sup>1</sup>	£33,366	-
Helena Ganczakowski <sup>2</sup>	-	£20,823
Sandra Turner <sup>2</sup>	-	£25,946

<sup>1</sup> Tamara Rogers joined the Board on 1 June 2024.

<sup>2</sup> Helena Ganczakowski and Sandra Turner retired from the Board on 17 May 2023.

### Annual bonus 2024 (audited)

The table below outlines the bonus performance conditions in respect of the 2024 bonus scheme.

Measure	Strategic objective	Weighting	Entry	Target	Stretch	Actual	%
Profit (£)	To deliver target profit before tax (excluding exceptional items and property profits)	50%	£176.3m	£185.3m	£194.3m	£189.5m <sup>1</sup>	36.7%
Sales (%)	Like-for-like sales performance	20%	8.1%	9.1%	10.1%	5.5%	0.0%
Strategic (£)	Cost savings	10%	£3.0m	£5.0m	£7.0m	£10.6m	10.0%
Strategic (£m)	Evening sales	5%	£171.9m	£191.9m	£211.9m	£161.5m	0.0%
Strategic	Increase in delivery sales	5%	£131.2m	£146.2m	£161.2m	£121.2m	0.0%
Strategic	Increase unsold food redistribution <sup>2</sup>	5%	45%		50%	45.1%	1.3%
Strategic	Increase in digital transactions <sup>2</sup>	5%	16.0%		19.0%	19.9%	5.0%
Total weighting based on balanced scorecard		100%					53.0%

<sup>1</sup> The actual result is calculated as profit before tax of £189.8m (see page 128) less property profits of £0.3m.

<sup>2</sup> Further details on these strategic targets are set out below.

### Increase food redistribution (5%)

Metric	Maximum 5%
Distribute an increased percentage of unsold food ahead of the 2023 end of year actual of 42.0%	7% increase in amount of unsold food redistributed year-on-year (increase to 45.0%) sliding scale to... 19% increase in amount of unsold food redistributed year-on-year (increase to 50.0%)

## Increase in digital transactions (5%)

Metric			Maximum 5%
Increase % of average transactions involving a Greggs App Rewards scan or Click + Collect order across the full year 2024 (31 December 2023 to 28 December 2024) ahead of year end 2023 figure of 15%	One percentage point increase in average transactions across the year (increase to 16%)	sliding scale to...	Four percentage point increase in average transactions across the year (increase to 19%)

## Bonus achieved for 2024

	As % of maximum
Roisin Currie	53.0%
Richard Hutton	53.0%

In line with the remuneration policy, the proportion of the bonus in excess of 50% of the maximum (pro rata) will be payable in shares, deferred for two years.

Details of the shares awarded in 2024 for the 2023 bonus year are outlined below. These were awarded on 25 March 2024 and will be released on 25 March 2026.

	Number of shares awarded
Roisin Currie	5,195
Richard Hutton	3,405

## Performance Share Plan award for performance in 2022 to 2024 (audited)

The PSP award granted in 2022 measured two performance targets to be achieved by the end of 2024. The performance targets that were set, together with the performance achieved are set out in the table below.

Metric	Condition	Threshold target	Stretch target	Actual	% vesting
EPS (50%)	Average annual growth in EPS over the performance period (12.5% vesting)	3.0%	8.0% (50% vesting)	6.57%	39.3%
ROCE (50%)	Average ROCE over the performance period (12.5% vesting)	19.6%	22.6% (50% vesting)	20.8%	27.5%
Total vesting					66.8%

The Committee considered the vesting outcome in the context of overall Company performance, the shareholder experience and the wider stakeholder experience over the performance period. The Committee was satisfied that the vesting outcome was an appropriate reflection of wider business performance and the experience of all stakeholders (including shareholders). Accordingly, the Committee did not exercise any discretion to reduce the level of vesting.

The table below sets out the number of shares which will vest for each Executive Director under the 2022 PSP award. All awards were granted as nil-cost options.

Executive Director	Date of grant	Date of vesting	Number of shares awarded	Vesting %	Number of shares vesting	Expected total vesting <sup>1</sup>
Roisin Currie – performance measured PSP	18 May 2022	18 May 2025	36,014	66.8%	24,045	£670,273
Richard Hutton – performance measured PSP	28 March 2022	28 March 2025	23,607	66.8%	15,761	£439,361

<sup>1</sup> Calculated using average share price over the final three months of the 2024 financial year (£27.88).

### Performance Share Plan awards granted in 2024 (audited)

Performance Share Plan awards granted during 2024 are as follows:

Executive	Type of award	Basis of award granted	Share price and date of grant	Number of shares over which award was granted	Face value of award	Percentage of face value that would vest at threshold performance	Vesting performance measurement period
Roisin Currie		150% of salary	£27.74 (25 March 2024)	35,260	£978,112		
	Nil-cost options					25%	Financial year 2026
Richard Hutton		150% of salary	£27.74 (25 March 2024)	23,113	£641,155		

For the 2024 grant there are three independent performance targets applying to the awards.

Two of the performance targets each account for 45% of the award and one performance target accounts for 10% of the award:

- 45% is subject to a performance target based on the Company's average annual growth in EPS over a performance period of three financial years commencing with the financial year 2024 being between 5% and 10%.
- 45% is subject to a performance target based on the Company's average ROCE over a performance period of three financial years commencing with the financial year 2024 to be in the range 18.4% to 20.8%.
- 10% of the award is subject to Greggs using it commercial leverage with its supply chain to drive measurement and public reporting by suppliers of their carbon footprints and declare a public commitment to achieving net zero no later than 2050 (the current UK Government legislative net zero date).

For each metric, 25% of the award will vest on achieving threshold performance and thereafter straight-line sliding scales will apply until stretch performance is achieved. A holding period will apply to vested PSP awards requiring the vested shares to be held (net of tax) for a further two years.

### Outstanding share awards (audited)

The following table sets out details of the PSP and savings-related share options held by, or granted to, the Executive Directors who served during the year:

	At 31 December 2023 number	Granted number	Exercised number	Lapsed number	At 28 December 2024 number	Exercise price	Date of grant	Market price of each share at date of grant	Date from which exercisable	Expiry date	Scheme
	5,902	-	5,902 <sup>1</sup>	-	-	£nil	Apr 19	£18.30	Apr 22	Apr 29	PSP
	11,514	-	11,514 <sup>1</sup>	-	-	£nil	Oct 20	£14.07	Oct 23	Oct 30	PSP
											Restricted stock option <sup>3</sup>
	5,687	-	5,687 <sup>1</sup>	-	-	£nil	Apr 21	£22.72	Apr 24	Apr 31	PSP
	9,668	-	9,668 <sup>1</sup>	-	-	£nil	Apr 21	£22.72	Apr 24	Apr 31	PSP
Roisin Currie	36,014	-	-	-	36,014	£nil	May 22	£21.68	May 25	May 32	PSP
	33,669	-	-	-	33,669	£nil	May 23	£27.62	May 26	May 33	PSP
	- 35,260	-	-	-	35,260	£nil	Mar 24	£27.74	Mar 27	Mar 34	PSP
	75	-	75 <sup>2</sup>	-	-	£16.72	Apr 21		Jun 24	Nov 24	SAYE
	91	-	-	-	91	£19.68	Apr 22		Jun 25	Nov 25	SAYE
	94	-	-	-	94	£21.06	May 23		Jun 26	Nov 26	SAYE
	- 95	-	-	-	95	£22.50	May 24		Jun 27	Nov 27	SAYE
	102,714	35,355	32,846		105,223						
	17,268	-	17,268 <sup>4</sup>	-	-	£nil	Oct 20	£14.07	Oct 23	Oct 30	PSP
	20,906	-	20,906 <sup>4</sup>	-	-	£nil	Apr 21	£22.72	Apr 24	Apr 31	PSP
	23,607	-	-	-	23,607	£nil	Mar 22	£21.68	Mar 25	Mar 32	PSP
	22,070	-	-	-	22,070	£nil	May 23	£27.62	May 26	May 33	PSP
Richard Hutton	- 23,113	-	-	-	23,113	£nil	Mar 24	£27.74	Mar 27	Mar 34	PSP
	75	-	75 <sup>5</sup>	-	-	£16.72	Apr 21		Jun 24	Nov 24	SAYE
	91	-	-	-	91	£19.68	Apr 22		Jun 25	Nov 25	SAYE
	94	-	-	-	94	£21.06	May 23		Jun 26	Nov 26	SAYE
	- 95	-	-	-	95	£22.50	May 24		Jun 27	Nov 27	SAYE
	84,111	23,208	38,249	-	69,070						

<sup>1</sup> The market value on the date of exercise was £27.14 and the resultant gain on exercise was £889,528.

<sup>2</sup> The market value on the date of exercise was £28.42 and the resultant gain on exercise was £878.

<sup>3</sup> The restricted stock option was granted in April 2021 prior to Roisin Currie's appointment to the Board.

<sup>4</sup> The market value on the date of exercise was £27.42 and the resultant gain on exercise was £1,046,720.

<sup>5</sup> The market value on the date of exercise was £29.40 and the resultant gain on exercise was £951.

Options granted under the all-colleague SAYE scheme are not subject to performance conditions. All PSP options are subject to performance conditions as detailed elsewhere in this Report.

The mid-market price of ordinary shares in the Company as at 28 December 2024 was £27.60. The highest and lowest mid-market prices of ordinary shares during the financial year were £31.90 and £24.38 respectively.

### Legacy defined benefit pension scheme (audited)

The following table sets out the change in each Director's accrued pension in the Company's defined benefit pension scheme during the year and their accrued benefits in the scheme at the year end:

Executive Director	Date of birth	Date service commenced	Accrued annual pension entitlement as at 31 December 2023 <sup>1</sup> £	Accrued annual pension entitlement as at 28 December 2024 £	Increase in accrued pension entitlement for the year £	Increase in accrued pension entitlement for the year net of inflation of 1.571% <sup>2</sup> £	Transfer value of increase in accrued pension entitlement for the year £
Richard Hutton	3/6/68	1/1/98	27,283	29,099	–	–	–

- The pension entitlement shown is that which would be paid annually on retirement based on service to the end of the year, but excluding any statutory increases which would be due after the year end.
- The inflation rate of 1.571% shown in the table above is that published by the Secretary of State for Work and Pensions in accordance with Schedule 3 of the Pensions Schemes Act 1993.

	Cash equivalent transfer value as at 30 December 2023 £	Cash equivalent transfer value as at 28 December 2024 £	Increase in the cash equivalent transfer value since 31 December 2023 £
Richard Hutton	392,930	440,415	–

Cash equivalent transfer values have been calculated in accordance with Actuaries Guidance Note GN11 and the increase is stated net of contributions made by the Director. The transfer values disclosed above do not represent a sum paid or payable to the individual Director. Instead they represent a potential liability of the pension scheme.

The main features of the defined benefit pension scheme are:

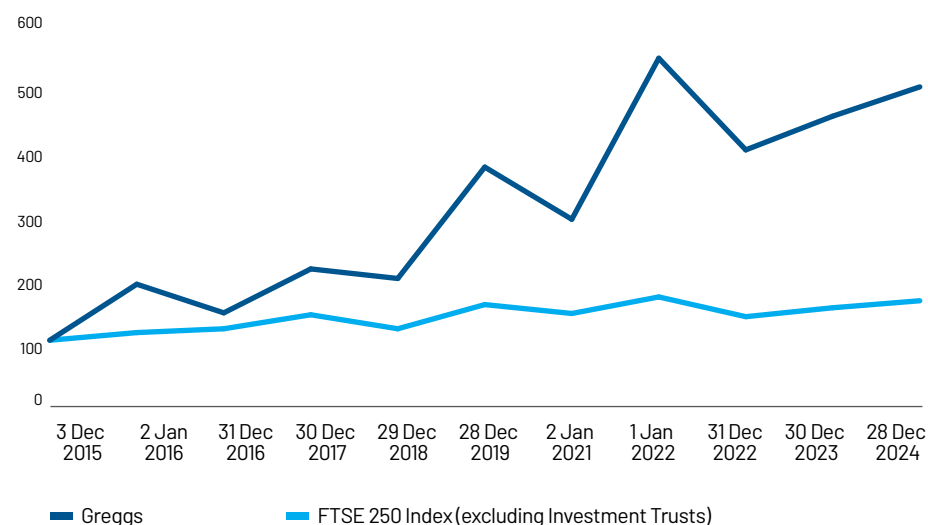
- Pension at normal retirement age of 1/60th of member's final pensionable salary for each complete year and a proportionate amount for each additional complete month of service from the date of joining the scheme until 5 April 2008 when the scheme was closed to future accrual;
- Choice of giving up part of the pension in exchange for a tax-free cash sum subject to a limit of 25% of the total value of the member's benefits under the scheme;
- Pension payable in the event of ill health;
- Spouse's pension on death; and
- Normal retirement at age 65.

### Chief Executive pay compared to performance

The graph below shows a comparison of the total shareholder return for the Company's shares for each of the last ten financial years against the total shareholder return for the companies comprised in the FTSE 250 Index (excluding Investment Trusts).

This index has been chosen for this comparison because it includes companies of broadly similar size to the Company.

### Total shareholder return (£)



### Remuneration outcomes for Chief Executive over last ten years

The table below shows the total remuneration figure for the Chief Executive over the same ten-year period as the graph above. The total remuneration figure includes the annual bonus, pension and PSP/option awards which vested based on performance in those years.

	2015	2016	2017	2018	2019	2020	2021	2022 Roger Whiteside	2022 Roisin Currie <sup>1</sup>	2023	2024
Total remuneration	£2,473,695	£2,147,229	£1,689,265	£1,737,953	£2,540,966	£649,319	£1,839,679	£1,064,204	£1,238,214	£1,758,359	£1,810,971
Bonus (% of max potential)	93.7%	86.7%	64.3%	59.2%	97.7%	0.0%	99.7%	75.4%	75.4%	84.8%	53.0%
PSP/options (% max potential)	100%	100%	100%	80.2%	100%	0.0%	50%	75%	75%	100%	66.8%

1 Reflects pay in the Chief Executive role during 2022.

### Directors' shareholding and share interests (audited)

Details of the shareholdings of each Executive Director and their connected persons as at 28 December 2024 and their interests in shares are detailed below with the percentage holding calculated using the share price at that date. As stated in the Directors' remuneration policy, Executive Directors are required to build a shareholding equivalent in value to 200% of basic salary.

Director	Beneficially owned at 28 December 2024	Beneficially owned at 30 December 2023	Outstanding PSP awards (nil cost options)	Vested PSP awards not exercised	Outstanding SAYE awards	% shareholding achieved at 28 December 2024 <sup>2</sup>
Roisin Currie	29,424	6,703	104,943	–	280	124.5
Richard Hutton	62,105	103,456	68,790	–	280	401.0
Kate Ferry	562	562	–	–	–	n/a
Mohamed Elsarky	–	–	–	–	–	n/a
Lynne Weedall	1,000	1,000	–	–	–	n/a
Matt Davies	2,000	2,000	–	–	–	n/a
Nigel Mills	–	–	–	–	–	n/a
Tamara Rogers <sup>1</sup>	–	–	–	–	–	n/a

1 Tamara Rogers was appointed to the Board on 1 June 2024.

2 Percentage shareholding is calculated taking into account the value of beneficially owned shares and the net of tax value of vested PSP awards not exercised.

There have been no changes since 28 December 2024 in the Directors' interests noted above. Further details of outstanding share awards are given on page 114.

### External directorships

Executive Directors may take up one Non-Executive Directorship outside of the Company subject to the Board's approval and provided that such an appointment is not likely to lead to a conflict of interest. It is recognised that this can support a Director's development and enhance experience as well as benefit the Company. Executive Directors will be entitled to retain the fees of such an appointment. Roisin Currie was appointed as Non-Executive Director of Howden Joinery Group Plc in July 2024.

### Relative importance of spend on pay

The Committee is aware of the importance of pay across the business and the table below shows the expenditure and percentage change in the overall spend on all colleague costs compared to other key financial indicators.

	2024 £m	2023 £m	% increase/ (decrease)
All colleague costs	686.6	593.1	15.8%
Dividends <sup>1</sup>	106.8	60.8	(75.7%)

1 2024 dividends include a special dividend of 40.0p.

## Percentage change in remuneration of all Directors

The table below sets out the percentage change in remuneration for all Directors (Executive and Non-Executive) compared to the wider workforce.

	2024			2023			2022			2021			2020		
	Salary % change	Benefits % change	Bonus % change	Salary % change	Benefits % change	Bonus % change	Salary % change	Benefits % change	Bonus % change	Salary % change	Benefits % change	Bonus % change	Salary <sup>1</sup> % change	Benefits % change	Bonus % change
Roisin Currie	4.5%	(24.5%)	(34.7%)	4.0%	32.4%	50.1%	n/a <sup>2</sup>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Richard Hutton	4.5%	(0.1%)	(34.7%)	4.0%	1.7%	17.0%	3.5%	27.4%	(2.2%)	21.6%	(9.0%)	100.0%	(3.3%)	(13.6%)	(100.0%)
Matt Davies	4.5%	n/a	n/a	0.0%	n/a	n/a	n/a <sup>2</sup>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Kate Ferry	4.5%	n/a	n/a	4.6%	n/a	n/a	5.3%	n/a	n/a	10.9%	n/a	n/a	(8.3%)	n/a	n/a
Lynne Weedall	4.5% <sup>3</sup>	n/a	n/a	4.6%	n/a	n/a	n/a <sup>2</sup>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mohamed Elsarky	12.8%	n/a	n/a	9.9% <sup>8</sup>	n/a	n/a	3.5%	n/a	n/a	n/a <sup>5</sup>	n/a	n/a	n/a	n/a	n/a
Nigel Mills	4.9% <sup>3</sup>	n/a	n/a	n/a <sup>7</sup>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Tamara Rogers	n/a <sup>9</sup>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
All colleagues	15.8% <sup>5</sup>	(12.1%)	(31.8 %) <sup>6</sup>	9.4% <sup>5</sup>	(15.8%)	9.4% <sup>6</sup>	5.8%	(15.8%)	(24.3%)	1.9%	(1.2%)	100%	4.1%	3.2%	(100%)

1 For the period of 1 April 2020 to 31 August 2020 the salaries of the Executive Directors and Non-Executive Directors were voluntarily reduced by 20%.

2 Roisin Currie, Matt Davies and Lynne Weedall were appointed during 2022 and therefore no annual change is shown.

3 In order to provide a meaningful comparison where a Director was appointed or retired during the year, the percentage change figures have been calculated on a full-year equivalent value.

4 Mohamed Elsarky was appointed during 2021 and therefore no annual change is shown.

5 For the purpose of salary the wider workforce is defined as all colleagues.

6 For the purpose of bonus the wider workforce is defined as management colleagues who are entitled to receive a bonus.

7 Nigel Mills was appointed during 2023 and therefore no annual change is shown.

8 Mohamed Elsarky was appointed as Non-Executive Director responsible for colleague engagement during 2023 and therefore received an additional payment for this role for part of the year.

9 Tamara Rogers was appointed during 2024 and therefore no annual charge is shown.

In time, the table below will build to represent ten years of data:

Financial year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2024	Option B	69:1	68:1	63:1
2023	Option B	69:1	64:1	61:1
2022	Option B	90:1	84:1	80:1
2021	Option B	99:1	98:1	68:1
2020	Option B	30:1	30:1	28:1
2019	Option B	132:1	126:1	108:1

The 25th, median and 75th percentile data were calculated as at 4 February 2025. Full-year pay data for the 2024 financial year has been used to calculate the ratios.

Disclosure of colleague data used to calculate the ratios	25th percentile	Median	75th percentile
Total pay and benefits	£26,300	£26,669	£28,887
Base salary	£25,012	£25,358	£26,665

## Chief Executive pay ratio reporting

The adjacent tables outline the ratio of the Chief Executive's single figure of total remuneration for 2024 expressed as a multiple of total remuneration for UK colleagues.

The three ratios are calculated by reference to the colleagues at the 25th, 50th and 75th percentile. We additionally disclose the total pay and benefits and base salary of the colleagues used to calculate the ratios.

The following adjustments have been made in order to calculate the figures above:

- We have used the assumption of a 40-hour week in order to calculate the hourly rate for the Chief Executive from the single total remuneration figure.
- As the hours our colleagues work vary week-to-week we have converted their hourly rate of pay into the equivalent 40-hour week in order that this is directly comparable with the hourly rate for the Chief Executive.
- For the 2022 figure for the Chief Executive we used a combined calculation for Roisin Currie and Roger Whiteside, based on the number of days each served as Chief Executive in 2022.

Of the three options set out in the legislation for calculating the Chief Executive pay ratio, we are using Option B – which uses Gender Pay Gap (GPG) data – to calculate the pay ratio. We believe the steady nature of our workforce ensures that the representative group remains the same as those individuals who are identified through the GPG reporting process. The individuals represented at the 25th, median and 75th percentile are all colleagues within our front line retail and supply operations. The nature of our workforce and demographics are such that we have over 95% of our colleagues working in our front-line operations – be that in retail or in our supply chain.

Our pay reflects the key markets in which we operate and we also support our colleagues with additional benefits such as profit share, paid breaks, colleague discount and discounted SAYE participation. As previously outlined in this Report, a key focus continues to be workforce fairness and the pay arrangements and support provided to our colleagues across the business. Our people are what makes our business successful and protecting our culture alongside our shareholders' and wider stakeholders' interests remains our priority.

We have once again reviewed carefully the approach taken with the wider workforce when considering the approach to salary for the Executive Directors for the year ahead. As noted earlier in the Remuneration Report, we implemented a tiered pay award providing a great percentage increase to support our colleagues on our lower rates of pay who have less disposable income. Over 84% of our workforce received a pay increase of 6.1% or more and over 85% received 5.6% or more. Our graded management teams were awarded the base increase of 3.5%.

As in previous years, the Committee reviewed the pay award of both the Executive Directors and Operating Board and agreed that the awards should again be proportionally lower than the general increases across the wider workforce and this was set at 3.5%.

As well as the pay increase, from January 2025 we further increased the pension provision for our wider workforce, allowing our colleagues to increase their pension contributions up to 7% with matched contributions. This now aligns the pension offering for all colleagues across Greggs. We also increased our colleague discount offering by 10%. Colleague discount is offered to all colleagues from day one and is open to an additional card holder after 12 months service.

As such and as required in the regulations, we confirm our belief that the median pay ratio for the year is consistent with the Company's wider pay, reward and progression policies affecting our colleagues.

This Report was approved by the Board on 4 March 2025,

Signed on behalf of the Board.

**Lynne Weedall**

Chair of the Remuneration Committee

4 March 2025

# STATEMENT OF DIRECTORS' RESPONSIBILITIES

**The Directors are responsible for preparing the Strategic Report and the Directors' Report, the Directors' Remuneration Report and the Accounts in accordance with applicable law and regulations.**

Company law requires the Directors to prepare Group and Parent Company accounts for each financial year. The Directors have elected under company law and are required under the Listing Rules of the Financial Conduct Authority to prepare the Group accounts in accordance with UK-adopted International Accounting Standards. The Directors have elected under company law to prepare the Company accounts in accordance with UK-adopted International Accounting Standards.

The Group and Parent Company accounts are required by law and UK-adopted International Accounting Standards to present fairly the financial position of the Group and the Parent Company and the financial performance of the Group; the Companies Act 2006 provides in relation to such accounts that references in the relevant part of that Act to accounts giving a true and fair view are references to their achieving a fair presentation.

Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Parent Company and of the profit or loss of the Group for that period.

In preparing each of the Group and Parent Company accounts, the Directors are required to:

- a. Select suitable accounting policies and then apply them consistently;
- b. Make judgements and accounting estimates that are reasonable and prudent;
- c. State whether they have been prepared in accordance with UK-adopted International Accounting Standards; and
- d. Prepare the accounts on the going concern basis unless it is inappropriate to presume that the Group and the Parent Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Parent Company and enable them to ensure that the Accounts and the Directors' Remuneration Report comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Directors' Statement pursuant to the Disclosure and Transparency Rules**

Each of the Directors, whose names and functions are listed in the Directors' Report confirm that, to the best of each person's knowledge:

- a. The accounts, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Parent Company and the undertakings included in the consolidation taken as a whole; and
- b. The Strategic Report and the Directors' Report contained in the Annual Report include a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Greggs plc website.

Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

**Roisin Currie**

Chief Executive  
4 March 2025

**Richard Hutton**

Chief Financial Officer  
4 March 2025

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREGGS PLC

**Opinion**

We have audited the financial statements of Greggs plc (the 'parent company') and its subsidiaries (the 'group') for the 52 week period ended 28 December 2024 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, Balance Sheets, Statements of Changes in Equity, Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and UK-adopted International Accounting Standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 28 December 2024 and of the group's profit for the 52 weeks then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards and as applied in accordance with the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (FRC's) Ethical Standard as applied to listed public interest 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	<b>Group &amp; Parent Company</b> <ul style="list-style-type: none"> <li>• Valuation of Lease Liabilities</li> <li>• Accounting for Pension Buy In Transaction</li> </ul>
Materiality	<b>Group</b> <ul style="list-style-type: none"> <li>• Overall materiality: £9.25 million (2023: £8.20 million)</li> <li>• Performance materiality: £6.94 million (2023: £6.15 million)</li> </ul> <b>Parent Company</b> <ul style="list-style-type: none"> <li>• Overall materiality: £9.00 million (2023: £8.00 million)</li> <li>• Performance materiality: £6.75 million (2023: £6.00 million)</li> </ul>
Scope	Our audit procedures covered 100% of revenue, total assets and profit before tax.

**Key audit matters**

In our audit of the group and parent company financial statements of the current period 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 group and parent company financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Valuation of Lease Liabilities

<b>Key audit matter description</b>	<p>Refer to page 90 – Audit Committee Report  Refer to page 136 – Basis of preparation (Key estimates and judgements)  Refer to page 153 and 154 – Note 11, Leases  Lease Liability – £415.1 million (2023: £319.6 million)</p> <p>The group occupies and manages approximately 2,000 shops, the majority of which are leased. In addition, during the current financial period the group entered into a material lease for a new supply site in Derby. As such the application of IFRS 16 is considered to give rise to a significant risk of material misstatement. IFRS 16 involves a significant element of judgement and estimation derived from a number of key assumptions. We consider the most significant assumptions affecting the valuation of lease liabilities to be:</p> <ul style="list-style-type: none"> <li>• the lease term assumed in determining the lease liability (particularly in respect of circumstances where the group remains in occupation using rights from the Landlord and Tenant Act 1954); and</li> <li>• the discount rate applied to calculate the lease liability.</li> </ul> <p>Changes to the assumptions included above are likely to have a material impact on the valuation of lease liabilities and given the value of lease liabilities in comparison to group materiality, we consider this area to represent a significant audit risk. Given the economic uncertainty and changing needs of the business in terms of shop size and location, judgements made in respect of lease term may need to be revisited.</p>
<b>How the matter was addressed in the audit</b>	<p>Our audit work relating to lease liabilities included:</p> <ol style="list-style-type: none"> <li>1. Testing the accuracy and completeness of the underlying data/leases used in the application of IFRS 16.</li> <li>2. Critically assessing the key assumptions utilised by management, including the lease term and discount rate.</li> <li>3. Testing that the calculations made were accurate through reperformance.</li> <li>4. Assessing treatment of related balances including; lease incentives, dilapidations and rent accruals/prepayments.</li> <li>5. Assessing the application of and accounting for changes throughout the year including the treatment of new leases, modifications to leases, the unwinding of interest and capital payments in respect of lease liabilities.</li> <li>6. Review disclosures relating to lease liabilities to ensure they are in accordance with the applicable financial reporting framework.</li> </ol>
<b>Key observations</b>	<p>Our audit work in respect of the valuation of lease liabilities concluded that we did not identify any material misstatements and the disclosures management have made are appropriate.</p>

## Accounting for Pension Buy In Transaction

<b>Key audit matter description</b>	<p>Refer to page 90 – Audit Committee Report</p> <p>Refer to page 136 – Basis of preparation (Key estimates and judgements)</p> <p>Refer to pages 162 – 165 – Note 21, Employee benefits – Pensions</p> <p>Net remeasurement losses on defined benefit pension plans – £11.9 million (2023: £nil)</p>
	<p>During the period the group made a special contribution of £4.5 million to its defined benefit pension scheme which helped facilitate the purchase of a bulk annuity policy which provides monthly payments to the scheme to cover the anticipated payments to be made to pensioners (“Buy In”).</p> <p>There is currently no formal obligation to “Buy-out” the policy, which would be considered a transfer of responsibility to a third-party for future pension payments. A schedule of contributions have been agreed, however current information shows these are anticipated to be immaterial.</p> <p>There is judgement involved in determining whether this transaction should be accounted for as a scheme settlement which would result in the assets and liabilities of the scheme no longer being recognised on the parent company and group balance sheets and in the loss resulting from the pension Buy In being recognised in the Income Statement. If the transaction was considered not to represent a settlement of the scheme then the loss would be recognised in Other Comprehensive Income. Given the unusual nature of the transaction the level of senior audit resource, technical specialist and actuarial experts involved in the audit work and judgement involved and the potential impact on the Income Statement the accounting for this transaction was considered to result in a significant risk of material misstatement.</p>
<b>How the matter was addressed in the audit</b>	<p>Our audit work relating to the Buy-In transaction included:</p> <ol style="list-style-type: none"> <li>1. Obtaining and reviewing management’s assessment of the transaction, including key documents such as legal agreements, schedule of contributions, minutes for key meetings and key project documents.</li> <li>2. With assistance from our in-house technical specialists, we critically challenging the judgement that the transaction should not be accounted for as a settlement of the scheme and therefore that the loss arising as a result of the Buy In transaction should not be recognised within the Income Statement, but within Other Comprehensive Income.</li> <li>3. Engaging with our auditors actuarial expert to review the calculations of the loss arising from the Buy In transaction.</li> <li>4. Review of the disclosures around the transactions, assessing they are consistent with the underlying supporting information and adequately explain the judgement.</li> </ol>
<b>Key observations</b>	<p>Our audit work in respect of the accounting for the Buy-In transactions concluded that we did not identify any material misstatements and the disclosures management have made are appropriate.</p>

### Our application of materiality

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

	Group	Parent company
<b>Overall materiality</b>	£9.25 million (2023: £8.2 million)	£9.00 million (2023: £8.0 million)
<b>Basis for determining overall materiality</b>	4.9% (2023: 4.9%) of profit before tax before excluding exceptional items	4.7% (2023: 4.7%) of profit before tax before excluding exceptional items
<b>Rationale for benchmark applied</b>	Profit before tax is the primary measure used by the shareholders in assessing the performance of the group and is a generally accepted auditing benchmark	Profit before tax is the primary measure used by the shareholders in assessing the performance of the group and is a generally accepted auditing benchmark
<b>Performance materiality</b>	£6.94 million (2023: £6.15 million)	£6.75 million (2023: £6.00 million)
<b>Basis for determining performance materiality</b>	75% of overall materiality	75% of overall materiality
<b>Reporting of misstatements to the Audit Committee</b>	Misstatements in excess of £462,000 (2023: £410,000) and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £450,000 (2023: £400,000) and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

The materiality for the audit, was reassessed to reflect the actual results for the period-end. This did not result in any change in the original materiality.

### An overview of the scope of our audit

The group consists of the parent Company and nine subsidiaries all of which are dormant or non-trading. The group audit team audited the only significant component being the parent Company. In doing so the coverage achieved by our audit procedures was 100% of group revenue, total assets and profit before tax.

### The impact of climate change on the audit

In planning our audit, we considered the potential impact of the possible risks arising from climate change on the group's and the parent company's financial statements and obtained an understanding of how management identifies and responds to climate-related risks. Further information on management's risk assessment, progress and commitments is provided in the group's climate-related risk disclosures on pages 50 to 58 of the annual report.

We performed risk assessment procedures including making enquiries of management, reading board minutes and applying our knowledge of the group and the parent company and the sector within which it operates, to assess the potential impact on the financial statements.

Taking account of the nature of the business, the extent of the headroom in impairment testing to reasonably possible changes in future cashflows, and useful economic lives of tangible/intangible assets to changing regulation, weather patterns or business activities, we have not assessed climate-related risk to be significant to our audit. There was also no impact on our key audit matters.

In accordance with our obligations with regards to other information, we have read the Group's climate-related risk disclosures on pages 50 to 58 of the annual report and in doing so have considered whether those disclosures are materially inconsistent with the financial statements or our knowledge obtained during the course of the audit, or otherwise appear to be materially misstated.

We have not been engaged to provide assurance over the accuracy of the climate-related risk disclosures set out on pages 50 to 58 in the Annual Report.

### 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's and parent company's ability to continue to adopt the going concern basis of accounting included:

1. Assess the forward-looking assumptions used by management in their assessment of going concern.
2. Corroborate to supporting evidence provided by the management key assumptions including financing arrangements in place.
3. Challenge management's assumptions including performing downside sensitivities in respect of key assumptions.
4. Consider the adequacy of management's scenario analysis and contingency plans.
5. Check the integrity and mechanism of the forecast model provided by management, using specialists where we consider it to be necessary.

6. Obtain evidence the budgets and forecasts have been authorised by the board.
7. Assess the historical forecasting accuracy.
8. Recalculating management's covenant calculations for the current year (if relevant) and forecast period to assess if there is a risk of non-compliance.
9. Evaluating the adequacy of going concern related disclosures in the financial statements.

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's or the parent 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 group's and parent company's reporting on how they have 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 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.

### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Corporate governance statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the parent company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

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:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on pages 79 and 80;
- Directors' explanation as to their assessment of the group's prospects, the period this assessment covers and why the period is appropriate set out on page 71;
- Directors' statement on whether it has a reasonable expectation that the group will be able to continue in operation and meets its liabilities set out on page 80;
- Directors' statement on fair, balanced and understandable set out on pages 79 and 80;

- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 66;
- Section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 92 and 93; and
- Section describing the work of the audit committee set out on pages 88 to 94.

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on pages 119 and 120 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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's and the parent 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 the parent 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(UK) 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.

### The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud; and
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud for regulated entities, as defined in ISA 250B: having obtained an understanding of the overall control environment.

The most significant laws and regulations were determined as follows:

Legislation / Regulation	Additional audit procedures performed by the Group audit engagement team included:
<b>IFRS/UK-adopted IAS, and Companies Act 2006</b>	<ul style="list-style-type: none"> <li>Review of the financial statement disclosures and testing to supporting documentation.</li> <li>Completion of disclosure checklists to identify areas of non-compliance.</li> </ul>
<b>Tax compliance regulations</b>	<ul style="list-style-type: none"> <li>Inspection and review of tax computations prepared by management</li> <li>Input from a tax specialist was obtained regarding significant and complex matters.</li> <li>Consideration of whether any matter identified during the audit required reporting to an appropriate authority outside the entity.</li> </ul>
<b>Distributable profits legislation</b>	<ul style="list-style-type: none"> <li>Assessment of compliance as part of our audit work relating to reserves.</li> </ul>
<b>Pension legislation</b>	<ul style="list-style-type: none"> <li>Assessment of extent of compliance as part of our audit work relating to defined benefit pensions.</li> </ul>
<b>Food Safety/Health and Safety/Employment/General Data Protection Regulation</b>	<ul style="list-style-type: none"> <li>Inquiry of management and Directors.</li> <li>Inspection of correspondence with legal advisors and regulators (where applicable).</li> </ul>

The areas that we identified as being susceptible to material misstatement due to fraud were:

Risk	Audit procedures performed by the audit engagement team:
<b>Revenue recognition – cut off</b>	<ul style="list-style-type: none"> <li>Testing a sample of transactions accounted pre and post-year-end for each significant revenue stream ensuring that revenue is recognised in the correct accounting period in line with the group's accounting policy.</li> </ul>
<b>Management override of controls</b>	<ul style="list-style-type: none"> <li>Testing the appropriateness of journal entries and other adjustments.</li> <li>Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.</li> <li>Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.</li> </ul>

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: <http://www.frc.org.uk/auditorsresponsibilities>.

This description forms part of our auditor's report.

## Other matters which we are required to address

Following the recommendation of the audit committee, we were appointed by the shareholders on 14 May 2021 to audit the financial statements for the year ending 1 January 2022 and subsequent financial periods.

The period of total uninterrupted consecutive appointments is four years, covering the periods ending 1 January 2022 to 28 December 2024.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee in accordance with ISAs (UK).

## Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

In due course, as required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rules, these financial statements will form part of the Annual Financial Report prepared in Extensible Hypertext Markup Language (XHTML) format and filed on the National Storage Mechanism of the UK FCA. This auditor's report provides no assurance over whether the annual financial report has been prepared in XHTML format.

## Rachel Fleming (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
1 St. James' Gate  
Newcastle upon Tyne  
NE1 4AD

4 March 2025

**CONSOLIDATED INCOME STATEMENT**  
**FOR THE 52 WEEKS ENDED 28 DECEMBER 2024 (2023: 52 WEEKS ENDED 30 DECEMBER 2023)**

	Note	2024 Excluding exceptional items £m	2024 Exceptional items (see note 4) £m	2024 Total £m	2023 Excluding exceptional items £m	2023 Exceptional items (see Note 4) £m	2023 Total £m
<b>Revenue</b>	1	<b>2,014.4</b>	<b>–</b>	<b>2,014.4</b>	1,809.6	–	1,809.6
Cost of sales		<b>(770.8)</b>	<b>–</b>	<b>(770.8)</b>	(710.5)	–	(710.5)
<b>Gross profit</b>		<b>1,243.6</b>	<b>–</b>	<b>1,243.6</b>	1,099.1	–	1,099.1
Distribution and selling costs		<b>(950.4)</b>	<b>0.3</b>	<b>(950.1)</b>	(844.5)	0.3	(844.2)
Administrative expenses		<b>(97.9)</b>	<b>–</b>	<b>(97.9)</b>	(82.9)	–	(82.9)
Other income		<b>–</b>	<b>13.8</b>	<b>13.8</b>	–	20.3	20.3
<b>Operating profit</b>		<b>195.3</b>	<b>14.1</b>	<b>209.4</b>	171.7	20.6	192.3
Finance income	6	<b>8.1</b>	<b>–</b>	<b>8.1</b>	6.1	–	6.1
Finance expense	6	<b>(13.6)</b>	<b>–</b>	<b>(13.6)</b>	(10.1)	–	(10.1)
<b>Profit before tax</b>	3–6	<b>189.8</b>	<b>14.1</b>	<b>203.9</b>	167.7	20.6	188.3
Income tax	8	<b>(48.8)</b>	<b>(1.7)</b>	<b>(50.5)</b>	(41.0)	(4.8)	(45.8)
<b>Profit for the financial year attributable to equity holders of the Parent Company</b>		<b>141.0</b>	<b>12.4</b>	<b>153.4</b>	126.7	15.8	142.5
<b>Basic earnings per share</b>	9	<b>138.5p</b>	<b>12.2p</b>	<b>150.7p</b>	125.0p	15.6p	140.6p
<b>Diluted earnings per share</b>	9	<b>137.5p</b>	<b>12.1p</b>	<b>149.6p</b>	123.8p	15.4p	139.2p

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE 52 WEEKS ENDED 28 DECEMBER 2024 (2023: 52 WEEKS ENDED 30 DECEMBER 2023)**

	Note	2024 £m	2023 £m
<b>Profit for the financial year</b>		<b>153.4</b>	142.5
<b>Other comprehensive income</b>			
<i>Items that will not be recycled to profit and loss:</i>			
Remeasurements on defined benefit pension plans	21	<b>(11.9)</b>	–
Tax on remeasurements on defined benefit pension plans	8	<b>0.9</b>	0.4
<b>Other comprehensive income for the financial year, net of income tax</b>		<b>(11.0)</b>	0.4
<b>Total comprehensive income for the financial year</b>		<b>142.4</b>	142.9

**BALANCE SHEETS**  
**AT 28 DECEMBER 2024 (2023: 30 DECEMBER 2023)**

		Group		Parent Company	
	Note	2024 £m	2023 £m	2024 £m	2023 £m
ASSETS					
Non-current assets					
Intangible assets	10	24.9	18.3	24.9	18.3
Property, plant and equipment	12	664.7	510.3	665.3	510.9
Right-of-use assets	11	387.2	296.6	387.2	296.6
Investments	13	–	–	5.0	5.0
Defined benefit pension asset	21	–	6.6	–	6.6
		1,076.8	831.8	1,082.4	837.4
Current assets					
Inventories	15	55.2	48.8	55.2	48.8
Trade and other receivables	16	62.4	53.8	62.4	53.8
Cash and cash equivalents	17	125.3	195.3	125.3	195.3
		242.9	297.9	242.9	297.9
Total assets		1,319.7	1,129.7	1,325.3	1,135.3
LIABILITIES					
Current liabilities					
Trade and other payables	18	(243.9)	(211.1)	(251.6)	(218.8)
Current tax liabilities	19	(9.1)	(4.9)	(9.1)	(4.9)
Lease liabilities	11	(53.8)	(52.5)	(53.8)	(52.5)
Provisions	23	(3.4)	(4.0)	(3.4)	(4.0)
		(310.2)	(272.5)	(317.9)	(280.2)
Non-current liabilities					
Other payables	20	(1.8)	(2.3)	(1.8)	(2.3)
Lease liabilities	11	(361.3)	(267.1)	(361.3)	(267.1)
Deferred tax liability	14	(72.6)	(54.7)	(72.0)	(54.1)
Long-term provisions	23	(2.9)	(2.2)	(2.9)	(2.2)
Defined benefit pension liability	21	(0.4)	–	(0.4)	–
		(439.0)	(326.3)	(438.4)	(325.7)
Total liabilities		(749.2)	(598.8)	(756.3)	(605.9)
Net assets		570.5	530.9	569.0	529.4
EQUITY					
Capital and reserves					
Issued capital	24	2.0	2.0	2.0	2.0
Share premium account	24	25.1	25.1	25.1	25.1
Capital redemption reserve	24	0.4	0.4	0.4	0.4
Retained earnings		543.0	503.4	541.5	501.9
Total equity attributable to equity holders of the Parent		570.5	530.9	569.0	529.4

All of the Group profit for the current and prior year is dealt with in the books of the Parent Company.

The accounts on pages 128 to 171 were approved and authorised for issue by the Board of Directors on 4 March 2025 and were signed on its behalf by:

**Roisin Currie**      **Richard Hutton**  
Company Registered Number 502851

**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE 52 WEEKS ENDED 28 DECEMBER 2024 (2023: 52 WEEKS ENDED 30 DECEMBER 2023)**

**Group**

52 weeks ended 30 December 2023

	Note	Attributable to equity holders of the Company				
		Issued capital £m	Share premium £m	Capital redemption reserve £m	Retained earnings £m	Total £m
Balance at 1 January 2023		2.0	23.1	0.4	420.5	446.0
<b>Total comprehensive income for the year</b>						
Profit for the financial year		-	-	-	142.5	142.5
Other comprehensive income		-	-	-	0.4	0.4
Total comprehensive income for the year		-	-	-	142.9	142.9
<b>Transactions with owners, recorded directly in equity</b>						
Issue of ordinary shares	24	-	2.0	-	-	2.0
Purchase of own shares	24	-	-	-	(5.0)	(5.0)
Sale of own shares	24	-	-	-	1.6	1.6
Share-based payment transactions	22	-	-	-	4.6	4.6
Dividends to equity holders	24	-	-	-	(60.8)	(60.8)
Tax items taken directly to reserves	8	-	-	-	(0.4)	(0.4)
Total transactions with owners		-	2.0	-	(60.0)	(58.0)
Balance at 30 December 2023		2.0	25.1	0.4	503.4	530.9

52 weeks ended 28 December 2024

	Note	Attributable to equity holders of the Company				
		Issued capital £m	Share premium £m	Capital redemption reserve £m	Retained earnings £m	Total £m
Balance at 31 December 2023		2.0	25.1	0.4	503.4	530.9
<b>Total comprehensive income for the year</b>						
Profit for the financial year		-	-	-	153.4	153.4
Other comprehensive income		-	-	-	(11.0)	(11.0)
Total comprehensive income for the year		-	-	-	142.4	142.4
<b>Transactions with owners, recorded directly in equity</b>						
Purchase of own shares	24	-	-	-	(5.0)	(5.0)
Sale of own shares	24	-	-	-	4.7	4.7
Share-based payment transactions	22	-	-	-	4.5	4.5
Dividends to equity holders	24	-	-	-	(106.8)	(106.8)
Tax items taken directly to reserves	8	-	-	-	(0.2)	(0.2)
Total transactions with owners		-	-	-	(102.8)	(102.8)
Balance at 28 December 2024		2.0	25.1	0.4	543.0	570.5

**STATEMENTS OF CHANGES IN EQUITY** CONTINUED  
**FOR THE 52 WEEKS ENDED 28 DECEMBER 2024 (2023: 52 WEEKS ENDED 30 DECEMBER 2023)**

**Parent Company**

52 weeks ended 30 December 2023

	Note	Attributable to equity holders of the Company				
		Issued capital £m	Share premium £m	Capital redemption reserve £m	Retained earnings £m	Total £m
Balance at 1 January 2023		2.0	23.1	0.4	419.0	444.5
<b>Total comprehensive income for the year</b>						
Profit for the financial year	7	–	–	–	142.5	142.5
Other comprehensive income		–	–	–	0.4	0.4
Total comprehensive income for the year		–	–	–	142.9	142.9
<b>Transactions with owners, recorded directly in equity</b>						
Issue of ordinary shares	24	–	2.0	–	–	2.0
Purchase of own shares	24	–	–	–	(5.0)	(5.0)
Sale of own shares	24	–	–	–	1.6	1.6
Share-based payment transactions	22	–	–	–	4.6	4.6
Dividends to equity holders	24	–	–	–	(60.8)	(60.8)
Tax items taken directly to reserves	8	–	–	–	(0.4)	(0.4)
Total transactions with owners		–	2.0	–	(60.0)	(58.0)
Balance at 30 December 2023		2.0	25.1	0.4	501.9	529.4

52 weeks ended 28 December 2024

	Note	Attributable to equity holders of the Company				
		Issued capital £m	Share premium £m	Capital redemption reserve £m	Retained earnings £m	Total £m
Balance at 31 December 2023		2.0	25.1	0.4	501.9	529.4
<b>Total comprehensive income for the year</b>						
Profit for the financial year	7	–	–	–	153.4	153.4
Other comprehensive income		–	–	–	(11.0)	(11.0)
Total comprehensive income for the year		–	–	–	142.4	142.4
<b>Transactions with owners, recorded directly in equity</b>						
Purchase of own shares	24	–	–	–	(5.0)	(5.0)
Sale of own shares	24	–	–	–	4.7	4.7
Share-based payment transactions	22	–	–	–	4.5	4.5
Dividends to equity holders	24	–	–	–	(106.8)	(106.8)
Tax items taken directly to reserves	8	–	–	–	(0.2)	(0.2)
Total transactions with owners		–	–	–	(102.8)	(102.8)
Balance at 28 December 2024		2.0	25.1	0.4	541.5	569.0

**STATEMENTS OF CASH FLOWS**  
**FOR THE 52 WEEKS ENDED 28 DECEMBER 2024 (2023: 52 WEEKS ENDED 30 DECEMBER 2023)**

		<b>Group and Parent Company</b>	
	Note	<b>2024 £m</b>	<b>2023 £m</b>
<b>Operating activities</b>			
Cash generated from operations		<b>352.6</b>	333.0
Income tax paid		<b>(27.7)</b>	(11.9)
Interest paid on lease liabilities	6	<b>(13.0)</b>	(9.6)
Interest paid on borrowings and other related charges	6	<b>(1.0)</b>	(0.7)
<b>Net cash inflow from operating activities</b>		<b>310.9</b>	310.8
<b>Investing activities</b>			
Acquisition of property, plant and equipment		<b>(230.0)</b>	(189.5)
Acquisition of intangible assets		<b>(10.9)</b>	(8.6)
Proceeds from sale of property, plant and equipment		<b>16.1</b>	0.8
Interest received	6	<b>7.7</b>	6.1
<b>Net cash outflow from investing activities</b>		<b>(217.1)</b>	(191.2)
<b>Financing activities</b>			
Proceeds from issue of share capital		<b>–</b>	2.0
Sale of own shares		<b>4.7</b>	1.6
Purchase of own shares		<b>(5.0)</b>	(5.0)
Dividends paid		<b>(106.8)</b>	(60.8)
Repayment of principal on lease liabilities		<b>(56.7)</b>	(53.7)
<b>Net cash outflow from financing activities</b>		<b>(163.8)</b>	(115.9)
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(70.0)</b>	3.7
Cash and cash equivalents at the start of the year	17	<b>195.3</b>	191.6
<b>Cash and cash equivalents at the end of the year</b>	17	<b>125.3</b>	195.3

**STATEMENTS OF CASH FLOWS** CONTINUED  
**FOR THE 52 WEEKS ENDED 28 DECEMBER 2024 (2023: 52 WEEKS ENDED 30 DECEMBER 2023)**

**Cash flow statement – cash generated from operations**

	Note	Group	
		2024 £m	2023 £m
Profit for the financial year		<b>153.4</b>	142.5
Amortisation	10	<b>4.2</b>	3.9
Depreciation – property, plant and equipment	12	<b>76.6</b>	66.6
Depreciation – right-of-use assets	11	<b>59.2</b>	54.5
Net impairment charge– property, plant and equipment	12	<b>2.9</b>	1.4
Impairment charge – right-of-use assets	11	<b>2.1</b>	2.5
(Profit)/loss on sale of property, plant and equipment	3	<b>(11.8)</b>	2.0
Release of Government grants	3	<b>(0.5)</b>	(0.5)
Share-based payment expenses	22	<b>4.5</b>	4.6
Finance income	6	<b>(8.1)</b>	(6.1)
Finance expense	6	<b>13.6</b>	10.1
Income tax expense	8	<b>50.5</b>	45.8
Increase in inventories		<b>(6.4)</b>	(8.2)
Increase in receivables		<b>(8.1)</b>	(3.6)
Increase in payables		<b>24.9</b>	18.0
Increase/(decrease) in provisions		<b>0.1</b>	(0.5)
Defined benefit pension scheme special contribution	21	<b>(4.5)</b>	–
<b>Cash generated from operations</b>		<b>352.6</b>	333.0

## NOTES TO THE ACCOUNTS

### Significant accounting policies

Greggs plc (the 'Company') is a company incorporated and domiciled in the UK. The Group accounts consolidate those of the Company and its subsidiaries (together referred to as the 'Group'). The results of the associate are not consolidated on the grounds of materiality. The Parent Company accounts present information about the Company as a separate entity and not about its Group.

The accounts were authorised for issue by the Directors on 4 March 2025.

#### (a) Statement of compliance

The Group and Parent Company accounts have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

#### (b) Basis of preparation

The accounts are presented in pounds sterling, rounded to the nearest £0.1 million unless otherwise stated, and are prepared on the historical cost basis except for the defined benefit pension asset/liability, which is recognised as the fair value of the plan assets less the present value of the defined benefit obligation.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report and Strategic Report on pages 1 to 120. The financial position of the Group, its cash flows and liquidity position are described in the Financial Review on pages 59 to 63. In addition, Note 2 to the accounts includes: the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The accounting policies set out below have been applied consistently throughout the Group and to all years presented in these consolidated accounts except if mentioned otherwise. From 1 January 2024, the following amendments were adopted by the Group:

- Non-current Liabilities with Covenants – Amendments to IAS 1 and Classification of Liabilities as Current or Non-current – Amendments to IAS 1

The adoption of these standards did not have a material effect on the accounts.

### Going concern

The Directors have considered the adoption of the going concern basis of preparation for these accounts in the context of recent trading performance, macro-economic conditions and the trading outlook of the Group. At the end of the reporting period, the Group had available liquidity totalling £225.3 million, comprised of cash and cash equivalents of £125.3 million plus an undrawn revolving credit facility (RCF) of £100.0 million, which is committed to June 2027 with two further one-year extension options. The RCF includes financial covenants that the Group must comply with related to maximum leverage and a minimum fixed charge cover. How these covenants are measured and the required ratios are set out in Note 2.

The Directors have reviewed cash flow forecasts prepared for the period up to December 2026 as well as covenant compliance for that period. In reviewing the cash flow forecasts, the Directors considered the current trading performance of the Group and the likely capital expenditure and working capital requirements of its growth plans.

After reviewing these cash flow forecasts and making enquiries, the Directors are confident that the Company and the Group will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the accounts. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Accounts.

### Key estimates and judgements

The preparation of financial information in conformity with UK-adopted IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

### Impairment (estimation)

Property, plant and equipment and right-of-use assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. For example, shop fittings and right-of-use assets may be impaired if sales in that shop fall. When a review for impairment is conducted the recoverable amount is estimated based on the higher of the value-in-use calculations or fair value less costs of disposal. Value-in-use calculations are based on management's estimates of future cash flows generated by the assets and an appropriate discount rate. Consideration is also given to whether the impairment assessments made in prior years remain appropriate based on the latest expectations in respect of recoverable amounts. Where it is concluded that the impairment has reduced, a reversal of the impairment is recorded to the carrying value that would have been recognised if the original impairment had not occurred, net of depreciation that would have been charged.

The Group has traded profitably throughout 2024, growing volumes and increasing underlying profit before tax and exceptional items by 13.2% to £189.8 million. As such there is not considered to be a global indicator of impairment across the Group's asset base. Where indicators of impairments exist for specific cash-generating units (CGUs), with each individual shop considered its own CGU, then an impairment review has been performed to calculate the recoverable value.

For those shops with indications of impairment, the value-in-use has been calculated using the following assumptions:

- Like-for-like sales for shops with more than two years trade has been assumed to grow at a rate of 4.8% for year one of the period of the impairment review, reducing steadily to 0.0% for year six onwards;
- Earnings before interest, tax, depreciation, amortisation and rent (EBITDAR) is used as a proxy for net cash flow excluding rental payments;
- The discount rate is based on the Group's pre-tax cost of capital and at 28 December 2024 was 10.0% (30 December 2023: 9.9%); and
- Cash flows are forecast up to the probable end date of the lease. Where considered appropriate, based on the estimated useful lives of fixtures and fittings within the CGU, cash flows may be included for periods beyond the lease probable end date (to a maximum of five years in total).

On the basis of these calculations, a net impairment charge of £5.0 million has been recognised during the current year (of which £2.9 million relates to fixtures and fittings and £2.1 million relates to right-of-use assets) resulting in an impairment provision of £9.5 million being retained at 28 December 2024 in respect of 109 shops (of which £4.6 million relates to fixtures and fittings and £4.9 million relates to right-of-use assets).

Given the uncertainties in the impairment model, the sensitivities of these assumptions on the impairment calculation have been tested:

- A 1% increase in the discount rate would result in an increased impairment of £0.6 million, with an additional six shops impaired. A 1% decrease in the discount rate would result in a reduced impairment of £0.5 million, with ten fewer shops impaired.
- A 5% increase in the starting like-for-like assumption would result in a reduced impairment of £2.4 million with 26 fewer shops impaired. A 5% decrease in the like-for-like assumption would result in an increased provision of £3.7 million with an additional 42 shops impaired.

**Significant accounting policies** continued

**(b) Basis of preparation continued**

**Determining the rate used to discount lease payments (judgement)**

At the commencement date of property leases the lease liability is calculated by discounting the lease payments. The discount rate used should be the interest rate implicit in the lease. However, if that rate cannot be readily determined, which is generally the case for property leases, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. As the Group had no suitable external borrowings from which to determine that rate, judgement is required to determine the incremental borrowing rate to be used. At the start of each month a risk-free rate is obtained, linked to the length of the lease and an adjustment is then made to reflect credit risk. During the year discount rates in the range 5.1% to 6.1% (2023: 4.42% to 6.83%) were used. Small changes in the discount rate would have an immaterial impact on the accounts. A 0.1% change in the discount rate used for each lease is estimated to adjust the total liabilities by circa £2 million.

**Determining the lease term of property leases (judgement)**

At the commencement date of property leases, and based on previous experience, the Group normally determines the lease term to be the full term of the lease, assuming that any option to break or extend the lease is unlikely to be exercised and it is not reasonably certain that the Group will continue in occupation for any period beyond the lease term. Leases are regularly reviewed and will be revalued if it becomes reasonably certain, as a result of trading performance and/or further investment in the property, that a break clause or option to extend the lease will be exercised.

The leases typically run for a period of 10 or 15 years. In England and Wales, the majority of the Group's property leases are protected by the Landlord and Tenant Act 1954 (LTA) which affords protection to the lessee at the end of an existing lease term.

Judgement is required in respect of those property leases where the current lease term has expired but the Group has not yet renewed the lease. Where the Group believes renewal to be reasonably certain and the lease is protected by the LTA it will be treated as having been renewed at the date of termination of the previous lease term and on the same terms as the previous lease. Where renewal is not considered to be reasonably certain the leases are included with a lease term which reflects the anticipated notice period under relevant legislation. The lease will be revalued when it is renewed to take account of the new terms. As at 28 December 2024 the financial effect of applying this judgement was an increase in recognised lease liabilities of £27.0 million (30 December 2023: £36.0 million).

**Post-retirement benefits – defined benefit obligation (estimation)**

The determination of the defined benefit obligation of the Group's defined benefit pension scheme depends on the selection of certain assumptions with significant estimation uncertainty including the discount rate, inflation rate, mortality rates and commutation. Differences arising from actual experience or future changes in assumptions will be reflected in future years. The key assumptions, sensitivities and carrying amounts for 2024 are given in Note 21.

**Post-retirement benefits – accounting for purchase of buy-in policy (judgement)**

In 2024 the Company made a special contribution of £4.5 million to its defined benefit pension scheme which helped facilitate the purchase of a 'buy-in' bulk annuity policy with Aviva. This policy provides regular payments to the scheme to fund pension payments and significantly reduces the Company's exposure to the funding risks associated with its defined benefit pension liabilities.

The valuation of the assets held by the scheme following the buy-in results in an accounting loss which has been recognised in other comprehensive income. Although a buy-out of the scheme is possible in the future there is no indication that this will be executed and finalised in the short term. The scheme has retained all responsibility to meet future pension payments to pensioners and the buy-in is therefore not recognised as a settlement.

In accordance with IAS 19 the assets and liabilities of the scheme remain on the Company balance sheet. The loss associated with the purchase of the buy-in policy and other actuarial movements in the year ended 28 December 2024 have been recognised through other comprehensive income.

**(c) Basis of consolidation**

The consolidated accounts include the results of Greggs plc and its subsidiary undertakings for the 52 weeks ended 28 December 2024. The comparative period is the 52 weeks ended 30 December 2023.

**(i) Subsidiaries**

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has 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 accounts of subsidiaries are included in the consolidated accounts from the date on which control commences until the date on which control ceases.

**(ii) Transactions eliminated on consolidation**

Intragroup balances, and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated accounts.

**(d) Exceptional items**

Exceptional items are defined as items of income and expenditure which are material and unusual in nature and which are considered to be of such significance that they require separate disclosure on the face of the income statement. Any future movements on items previously classified as exceptional will also be classified as exceptional.

**(e) Foreign currency**

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the income statement.

**(f) Intangible assets**

The Group's only intangible assets relate to software and the costs of its implementation which are measured at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the income statement as incurred.

Amortisation is recognised in the income statement on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful lives are five to seven years.

Assets in the course of development are recategorised and amortisation commences when the assets are available for use.

**(g) Leases****(i) Lease recognition**

At inception of a contract the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

For leases of properties in which the Group is a lessee, it has applied the practical expedient permitted by IFRS 16 and will account for each lease component and any associated non-lease components as a single lease component.

**Significant accounting policies** continued

**(g) Leases** continued

**(ii) Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, adjusted for any lease payments made at or before the commencement date, less any lease incentives received. Right-of-use assets are depreciated over the shorter of the asset's useful life or the lease term on a straight-line basis. Right-of-use assets are subject to, and reviewed regularly for, impairment. Depreciation on right-of-use assets is included in cost of sales, selling and distribution costs or administrative expenses in the consolidated income statement as appropriate.

**(iii) Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term. Lease payments include fixed payments less any lease incentives receivable and variable lease payments that depend on an index or rate. Any variable lease payments that do not depend on an index or rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. Generally the Group uses its incremental borrowing rate as the discount rate. When there are no external borrowings, judgement is required to determine an approximation, calculated based on UK Government gilt rates of an appropriate duration and adjusted by an indicative credit premium.

After the commencement date, the lease liability is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or a change in the fixed lease payments. The remeasured lease liability (and corresponding right-of-use asset) is calculated using a revised discount rate, based upon a revised incremental borrowing rate at the time of the change. Interest charges are included in finance costs in the income statement.

**(iv) Short-term leases and leases of low-value assets**

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery and equipment that have a lease term of less than 12 months and leases of low-value assets. Lease payments relating to short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

**(v) Variable lease payments**

Some property leases contain variable payment terms that are linked to sales generated from a shop. For individual shops, up to 100% of lease payments are on the basis of variable payment terms. These payments are recognised in the income statement in the period in which the condition that triggers them occurs. Under existing lease arrangements, where variable payment terms exist, the expected future cash outflow on an annual basis is expected to be immaterial.

**(h) Property, plant and equipment**

**(i) Owned assets**

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation (see below) and impairment losses (see accounting policy (l)). The cost of self-constructed assets includes the cost of materials and direct labour. Lease interest costs incurred on lease liabilities and depreciation of right-of-use assets are recognised as part of the cost of an asset where they are directly attributable to the acquisition or construction of that asset.

**(ii) Subsequent costs**

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying value of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

**(iii) Depreciation**

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	20 to 40 years
Short leasehold properties	10 years or length of lease if shorter
Plant and equipment	3 to 20 years
Fixtures and fittings	3 to 10 years

Freehold land is not depreciated.

Depreciation methods, useful lives and residual values (if not insignificant) are reassessed annually.

**(iv) Assets in the course of construction**

These assets are recategorised and depreciation commences when the assets are available for use.

**(i) Investments**

Non-current investments comprise investments in subsidiaries and associates which are carried at cost less impairment.

Current investments comprise fixed-term, fixed-rate bank deposits where the term is greater than three months.

**(j) Inventories**

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost of inventories includes expenditure incurred in acquiring the inventories and direct production labour costs.

**(k) Cash and cash equivalents**

Cash and cash equivalents comprises cash at bank, in hand, debit and credit card receivables and call deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

**(l) Impairment of non-financial assets**

The carrying amounts of the Group and Company's assets, other than inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Impairment reviews are carried out on an individual shop basis.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised in prior years are assessed at each reporting date and reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

**(m) Assets held for sale**

Assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets are remeasured in accordance with the Group and Company's accounting policies. Thereafter, generally, the assets are measured at the lower of their carrying amount and fair value less cost to sell. Once classified as held for sale, assets are no longer depreciated or amortised.

**Significant accounting policies** continued

**(n) Share capital and reserves**

**(i) Repurchase of share capital**

When share capital recognised as equity is repurchased for cancellation, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity in the capital redemption reserve. Repurchased shares that are held in the employee share ownership plan are classified as treasury shares and are presented as a deduction from total equity.

**(ii) Dividends**

Dividends are recognised as a liability when the Company has an obligation to pay and the dividend is no longer at the Company's discretion.

**(o) Employee share ownership plan**

The Group and Parent Company accounts include the assets and related liabilities of the Greggs Employee Benefit Trust (EBT). In both the Group and Parent Company accounts the treasury shares held by the EBT are stated at cost and deducted from total equity.

**(p) Employee benefits**

**(i) Short-term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be measured reliably.

**(ii) Defined contribution pension plans**

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement when they are due.

**(iii) Defined benefit pension plans**

The Company's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) is deducted. The Company determines the net interest on the net defined benefit asset/liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit asset/liability.

The discount rate is the yield at the reporting date on bonds that have a credit rating of at least AA, that have maturity dates approximating to the terms of the Company's obligations and that are denominated in the currency in which the benefits are expected to be paid.

Remeasurements arising from defined benefit pension plans comprise actuarial gains and losses and the return on plan assets (excluding interest). The Company recognises them immediately in other comprehensive income and all other expenses related to defined benefit pension plans in employee benefit expenses in the income statement.

When the benefits of a plan are changed, or when a plan is curtailed, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment, is recognised immediately in profit or loss when the plan amendment or curtailment occurs.

The calculation of the defined benefit obligation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan (net of tax) or reductions in future contributions and takes into account the adverse effect of any minimum funding requirements in accordance with IFRIC 14.

**(iv) Share-based payment transactions**

The share option programme allows Group employees to acquire shares in the Company. The fair value of share options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date, using an appropriate model, taking into account the terms and conditions upon which the share options were granted, and is spread over the period during which the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to share prices not achieving the threshold for vesting.

**(v) Termination benefits**

Termination benefits are expensed at the earlier of the date at which the Group can no longer withdraw the offer of these benefits and the date at which the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date they are discounted.

**(q) Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

**(i) Restructuring**

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

**(ii) Onerous contracts**

Provisions for onerous contracts are recognised when the Group believes that the unavoidable costs of meeting the contract obligations exceed the economic benefits expected to be received under the contract. At this point and before a provision is established the Group recognises any impairment loss on the associated assets.

**(iii) Dilapidations****Shops**

The Group provides for shop property dilapidations, where appropriate, based on the future expected repair costs required to restore the Group's leased shops to their fair condition at the end of their respective lease terms, where it is considered a reliable estimate can be made and it is probable that the Group will be required to settle the obligation. Based on the Group's experience it is not considered probable at lease inception that it will be required to make any payment in respect of dilapidations. Therefore a provision is only recognised when circumstances suggest that there will be such a requirement.

**Other leased properties**

The Group provides for property dilapidations on other leased properties, where appropriate, based on the future expected repair costs required to restore these properties to their fair condition at the end of their respective lease terms. An estimate of these future expected repair costs is assessed at lease inception and recognised as part of the cost of the asset when a reliable estimate can be made.

**(r) Revenue****(i) Retail sales**

Revenue from the sale of goods is recognised as income when the customer receives the product, which coincides with the receipt of cash or card payment. Revenue is measured net of discounts, promotions and value added taxation. Revenue from delivery services is included in retail sales and recognised on delivery.

**Significant accounting policies** continued

**(r) Revenue** continued

**(ii) Franchise sales**

Franchise sales are recognised when goods are delivered to franchisees. Additional franchise royalty fee income, generally calculated as a percentage of gross sales income, is recognised in line with the franchisees' product sales in accordance with the relevant agreement. Pre-opening capital fit-out costs are recharged to the franchisee and represent a key performance obligation of the overall franchise sales agreement. These recharges are recognised as income on completion of the related fit-out. Sales are invoiced to franchisees on credit terms of less than three months.

**(iii) Wholesale sales**

Wholesale sales are recognised when goods are delivered to customers.

**(iv) Loyalty programme/gift cards**

Amounts received for gift cards or as part of the loyalty programme are deferred. They are recognised as revenue when the Group has fulfilled its obligation to supply products under the terms of the programme or when it is no longer probable that these amounts will be redeemed. Where customers are entitled to a free product after a set number of purchases under the loyalty programme, a proportion of the consideration received is deferred so that the revenue is recognised evenly across all of the linked transactions.

The nature, timing and uncertainty of revenues arising from the above transaction types do not differ significantly from each other.

**(s) Expenses classification**

Operating expenses are presented in the income statement in the following categories:

**Cost of sales**

Cost of sales includes all costs directly attributable to the production of goods sold by the Group. These costs include:

- Direct materials – ingredients, packaging and finished products produced or bought in to sell to customers.
- Direct labour – wages and salaries of colleagues directly involved in production.
- Manufacturing overheads – indirect costs such as utility costs, maintenance and depreciation of production sites and plant and equipment.

**Distribution and selling costs**

Distribution and selling costs include all costs of operating our logistics and retail operations and include:

- Logistics costs – vehicle costs, fuel, warehousing, wages and salaries.
- Shop costs – wages and salaries, property costs, utilities, cleaning and maintenance, and depreciation of shop fixtures, fittings and equipment.
- Marketing and advertising costs.

**Administrative expenses**

Administrative expenses are the costs of central and support functions and include:

- Wages and salaries of central and support teams.
- Insurance.
- IT costs, including software depreciation and amortisation.
- Professional fees.

**(t) Government grants**

Government grants are recognised in the balance sheet initially as deferred income when there is a reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised net of the related expenses in the income statement on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognised in the income statement over the useful life of the asset.

**(u) Finance income and expense**

Interest income or expense is recognised using the effective interest method.

**(v) Income tax**

Income tax comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income taxes, if any. Taxable profit differs from profit as reported in the income statement because some items of income or expense are taxable or deductible in different years or may never be taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used in the calculation of taxable profit. It is accounted for using the balance sheet liability method. The amount of deferred tax recognised is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities, using tax rates that are expected to apply when the temporary differences reverse, based on rates enacted or substantively enacted at the balance sheet date. When the recovery of the carrying amount of an asset gives rise to multiple tax consequences which are not subject to the same income tax laws, separate temporary differences are identified, and the deferred tax on these is accounted for separately, including assessment of the recoverability of any deferred tax assets that arise.

Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related deferred tax benefit will be realised.

**(w) Trade and other receivables**

Trade receivables are recognised initially at the amount of consideration that is unconditional. They are subsequently measured at amortised cost using the effective interest method, less loss allowance.

**(x) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 45 days of recognition.

**(y) Research and development**

The Company continuously strives to improve its products and processes through technical and other innovation. Such expenditure is typically expensed to the income statement when the related intellectual property is not capable of being formalised or expected to generate an economic benefit to the Group in the future.

**Significant accounting policies** continued**(z) New standards and amendments not yet adopted**

The following new standards and amendments which will be relevant to the Group have not been applied in these accounts:

- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures (subject to UK endorsement).
- Lease liability in sale and leaseback – Amendments to IFRS 16 (effective date 1 January 2024).
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7 (effective date 1 January 2024).
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective date 1 January 2026, subject to UK endorsement).
- IFRS 18 'Presentation and Disclosure' in Financial Statements (effective date 1 January 2027, subject to UK endorsement).

The adoption of the new standards and amendments is not expected to have a material effect on the accounts, with the possible exception of IFRS 18, the impact of which is currently being evaluated.

**1. Segmental analysis**

The Executive Directors are considered to be the 'chief operating decision maker' of the Group in the context of the IFRS 8 definition. In addition to its company-managed retail activities, the Group generates revenues from its business-to-business channel which includes franchise and wholesale activities. Both channels were categorised as reportable segments for the purposes of IFRS 8.

Company-managed retail activities – the Group sells a consistent range of fresh bakery goods, sandwiches and drinks in its own shops or via delivery. Sales are made to the general public on a cash basis. All results arise in the UK.

Business-to-business channel – the Group sells products to franchise and wholesale partners for sale in their own outlets as well as charging a licence fee to franchise partners. These sales and fees are invoiced to the partners on a credit basis. All results arise in the UK.

All revenue in 2024 and 2023 was recognised at a point in time.

The Executive Directors regularly review the revenues and trading profit of each segment. They receive information on overheads, assets and liabilities on an aggregated basis consistent with the Group accounts.

	2024 Retail company- managed shops £m	2024 Business-to- business £m	2024 Total £m	2023 Retail company- managed shops £m	2023 Business-to- business £m	2023 Total £m
Revenue	1,781.7	232.7	2,014.4	1,610.9	198.7	1,809.6
Trading profit <sup>1</sup>	277.3	55.5	332.8	250.1	41.1	291.2
Overheads including profit share			(137.5)			(119.5)
Operating profit before exceptional items			195.3			171.7
Finance income			8.1			6.1
Finance expense			(13.6)			(10.1)
Profit before tax (excluding exceptional items)			189.8			167.7
Exceptional items (see Note 4)			14.1			20.6
Profit before tax			203.9			188.3

<sup>1</sup> Trading profit is defined as gross profit less supply chain costs and retail costs (including property costs) and before central overheads.

## 2. Financial risk management

### Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Retail sales represent a large proportion of the Group's sales and present no credit risk as they are made for cash or card payments. The Group does offer credit terms on sales to its wholesale and franchise customers. In such cases the Group operates effective credit control procedures in order to minimise exposure to overdue debts.

Counterparty risk is also considered low. All of the Group's surplus cash is held with highly-rated banks as specifically approved by the Board, in line with Group policy. Other receivables generally relate to VAT and other sundry balances due from third parties. Credit risk is considered low as amounts are generally recoverable within 30 days.

### Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group usually operates with net current liabilities and is therefore reliant on the continued strong performance of the retail portfolio to meet its short-term liabilities. Short and medium-term cash forecasting is used to manage liquidity risk. These forecasts are used to ensure the Group has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions.

During 2024 the Group arranged a new £100 million syndicated revolving credit facility with maturity in June 2027 with two further one-year extension options. This facility was undrawn at 28 December 2024 (2023: undrawn). The covenants comprise: leverage (calculated as the ratio of total net borrowings to EBITDA) does not exceed 3:1; and fixed charge cover (calculated as the ratio of EBITDAR to net rent and interest payable) cannot be below 1.75:1. Given the facility is undrawn, disclosure of the Group's compliance with these covenants is not required.

### Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments.

Other than for the defined benefit pension scheme, market risk is not significant and therefore sensitivity analysis would not be meaningful. Sensitivity analysis for the defined benefit pension scheme is given in Note 21.

### Currency risk

The Group has no regular material transactions in foreign currency although there are occasional purchases, mainly of capital items, denominated in foreign currency. Whilst certain costs such as electricity and wheat can be influenced by movements in the US dollar, actual contracts are priced in sterling. In respect of those key costs which are volatile, such as electricity and flour, the price may be fixed for a period of time in line with Group policy. All such contracts are for the Group's own expected usage.

### Interest rate risk

Interest rate risk is the risk that movement in the interbank offered rates increase causing finance costs to increase. The Group's interest rate risk arises from its revolving credit facility. Whilst the facility remains undrawn increases in the interest rate will not impact on finance costs.

### Equity price risk

The Group has no significant equity investments other than in its subsidiaries and associate.

## 2. Financial risk management continued

### Capital management

The Group's capital management objectives are:

- To ensure the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To provide an adequate return to shareholders by pricing products and delivering services commensurate with the level of risk.

To meet these objectives the Group reviews the budgets, forecasts, profitability and cash flows on a regular basis to ensure there is sufficient capital to meet the needs of the Group.

The capital structure of the Group consists of shareholders' equity as set out in the consolidated statement of changes in equity. All working capital requirements are financed from existing cash resources and borrowings.

The Board reserves the option to purchase its own shares in the market dependent on market prices and surplus cash levels. The trustees of the Greggs EBT also purchase shares for future satisfaction of employee share options.

### Financial instruments

#### Group and Parent Company

All of the Group's surplus cash or cash equivalents is invested as cash placed on deposit or fixed-term deposits.

The Group's treasury policy has as its principal objective the achievement of the maximum rate of return on cash balances whilst maintaining an acceptable level of risk. Other than mentioned below there are no financial instruments, derivatives or commodity contracts used.

#### Financial assets and liabilities

A financial asset is measured at amortised cost if it meets both of the following conditions:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group's main financial assets comprise cash and cash equivalents and fixed-term deposits. Other financial assets include trade and other receivables arising from the Group's activities. These financial assets all meet the conditions to be recognised at amortised cost.

Other than trade and other payables and lease liabilities, the Group had no financial liabilities as at 28 December 2024 (2023: £nil).

#### Fair values

The fair value of the Group's financial assets and liabilities is not materially different from their carrying values. Financial assets and liabilities comprise principally of trade and other receivables and trade and other payables and the only interest-bearing balances are the bank deposits and borrowings which attract interest at variable rates.

#### Interest rate, credit and foreign currency risk

The Group has not entered into any hedging transactions during the current and prior year and considers interest rate, credit and foreign currency risks not to be significant.

### 3. Profit before tax

Profit before tax is stated after charging/(crediting):

	2024 Excluding exceptional items £m	2024 Exceptional items (see Note 4) £m	2024 Total £m	2023 Total £m
Amortisation of intangible assets	4.2	-	4.2	3.9
Depreciation of owned property, plant and equipment	76.6	-	76.6	66.6
Depreciation of right-of-use assets	59.2	-	59.2	54.5
Net impairment of owned property, plant and equipment	2.9	-	2.9	1.4
Net impairment of right-of-use assets	2.1	-	2.1	2.5
Loss/(profit) on disposal of property, plant and equipment	2.0	(13.8)	(11.8)	2.0
Release of government grants	(0.5)	-	(0.5)	(0.5)

Auditor's remuneration for the audit of these accounts amounted to £314,405 (2023: £299,225) and for other assurance services £24,450 (2023: £14,250). Amounts paid to the Company's auditor in respect of services to the Company, other than the audit of the Company's accounts, have not been disclosed as the information is required instead to be presented on a consolidated basis.

### 4. Exceptional items

The exceptional items are as follows:

	2024 £m	2023 £m
Settlement of Covid-19 business interruption insurance claim	-	16.3
Settlement of business interruption insurance claim in respect of 2020 bakery flooding	-	4.0
Provisions no longer required:	-	0.3
Onerous lease		
Redundancy / dilapidations	0.3	-
Profit on disposal of Twickenham bakery site (net of fees)	13.8	-
	14.1	20.6

### 5. Personnel expenses

The average number of persons employed by the Group and Parent Company (including Directors) during the year was as follows:

	2024 Number	2023 Number
Management	789	723
Administration	512	472
Production	3,747	3,456
Shop	27,210	25,434
	32,258	30,085

## 5. Personnel expenses continued

The aggregate costs of these persons were as follows:

	Note	2024 £m	2023 £m
Wages and salaries		<b>599.5</b>	519.6
Compulsory social security contributions		<b>46.9</b>	38.2
Pension costs – defined contribution plans	21	<b>35.5</b>	30.3
Equity-settled transactions (including compulsory social security contributions)	22	<b>4.9</b>	5.0
		<b>686.8</b>	593.1

In addition to wages and salaries, the total amount accrued under the Group's employee profit sharing scheme is contained within the main cost categories as follows:

	2024 £m	2023 £m
Cost of sales	<b>5.3</b>	4.6
Distribution and selling costs	<b>12.7</b>	10.9
Administrative expenses	<b>2.5</b>	2.1
Amount shared with employees	<b>20.5</b>	17.6
Compulsory social security contributions	<b>2.3</b>	2.0
	<b>22.8</b>	19.6

For the purposes of IAS 24 'Related Party Disclosures', key management personnel comprises the Directors and the members of the Operating Board and their remuneration was as follows:

	2024 £m	2023 £m
Salaries and fees	<b>3.5</b>	3.5
Taxable benefits	<b>0.1</b>	0.1
Annual bonus (including profit share) to be paid in March 2024	<b>2.2</b>	1.9
Post-retirement benefits	<b>0.2</b>	0.2
Equity-settled transactions	<b>2.2</b>	2.3
	<b>8.2</b>	8.0

The following amounts are disclosed in accordance with Schedule 5 of the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008.

	2024 £m	2023 £m
Aggregate Directors' remuneration	<b>2.8</b>	2.7
Aggregate amount of gains on exercise of share options	<b>1.9</b>	–
	<b>4.7</b>	2.7

During the year the number of Directors in the defined contribution pension scheme was two (2023: two) and in the defined benefit pension scheme was one (2023: one). No contributions were made to the pensions schemes in 2024 (2023: £nil).

## 6. Finance income and expense

	Note	2024 £m	2023 £m
<b>Finance income</b>			
Interest income on cash balances		8.1	6.1
<b>Total finance income</b>		<b>8.1</b>	<b>6.1</b>
<b>Finance expense</b>			
Interest expense on borrowings and other related charges		(0.9)	(0.7)
Foreign exchange loss		(0.1)	(0.1)
Interest on lease liabilities		(13.0)	(9.6)
Net interest income on defined benefit pension liability	21	0.4	0.3
<b>Total finance expense</b>		<b>(13.6)</b>	<b>(10.1)</b>
<b>Net finance expense</b>		<b>(5.5)</b>	<b>(4.0)</b>

## 7. Profit attributable to Greggs plc

All of the Group profit for the current and prior year is dealt with in the accounts of the Parent Company. The Company has taken advantage of the exemption permitted by s408 of the Companies Act 2006 from presenting its own income statement.

## 8. Income tax expense

### Recognised in the income statement

	2024 Excluding exceptional items £m	2024 Exceptional items £m	2024 Total £m	2023 Excluding exceptional items £m	2023 Exceptional items £m	2023 Total £m
<b>Current tax</b>						
Current year	26.3	–	26.3	12.2	4.8	17.0
Adjustment for prior years	7.1	–	7.1	0.7	–	0.7
	<b>33.4</b>	<b>–</b>	<b>33.4</b>	<b>12.9</b>	<b>4.8</b>	<b>17.7</b>
<b>Deferred tax</b>						
Origination and reversal of temporary differences	22.3	1.7	24.0	29.0	–	29.0
Adjustment for prior years	(6.9)	–	(6.9)	(0.9)	–	(0.9)
	<b>15.4</b>	<b>1.7</b>	<b>17.1</b>	<b>28.1</b>	<b>–</b>	<b>28.1</b>
<b>Total income tax expense in income statement</b>	<b>48.8</b>	<b>1.7</b>	<b>50.5</b>	<b>41.0</b>	<b>4.8</b>	<b>45.8</b>

**8. Income tax expense** continued**Reconciliation of effective tax rate**

The tables below explain the differences between the expected tax expense calculated at the UK statutory rate of 25% (2023: 23.5%) and the actual tax expense for each year for both the total tax expense and the underlying tax expense, excluding the effect of exceptional items.

	2024 Excluding exceptional items	2024 Excluding exceptional items £m	2024 Total	2024 Total £m	2023 Excluding exceptional items	2023 Excluding exceptional items £m	2023 Total	2023 Total £m
Profit before tax		<b>189.8</b>		<b>203.9</b>		167.7		188.3
Income tax using the domestic corporation tax rate	<b>25.0%</b>	<b>47.5</b>	<b>25.0%</b>	<b>51.0</b>	23.5%	39.4	23.5%	44.2
Items not taxable for tax purposes	–	–	<b>(0.9%)</b>	<b>(1.8)</b>	(0.6%)	(1.0)	(0.6%)	(1.0)
Non-tax-deductible depreciation	<b>0.6%</b>	<b>1.1</b>	<b>0.6%</b>	<b>1.1</b>	0.6%	1.1	0.6%	1.1
Impact of increase in deferred tax rate	–	–	–	–	1.0%	1.7	0.9%	1.7
Adjustment for prior years	<b>0.1%</b>	<b>0.2</b>	<b>0.1%</b>	<b>0.2</b>	(0.1%)	(0.2)	(0.1%)	(0.2)
Total income tax expense in income statement	<b>25.7%</b>	<b>48.8</b>	<b>24.8%</b>	<b>50.5</b>	24.4%	41.0	24.3%	45.8

The rate of corporation tax increased from 19% to 25% from 1 April 2023. Therefore the 25% rate has been applied to any timing differences in both the current and prior year.

**Tax recognised in other comprehensive income or directly in equity**

	2024 Current tax £m	2024 Deferred tax £m	2024 Total £m	2023 Total £m
Debit/(credit):				
Relating to equity-settled transactions	–	<b>0.2</b>	<b>0.2</b>	0.4
Relating to defined benefit pension plans – remeasurement losses	<b>(1.5)</b>	<b>0.6</b>	<b>(0.9)</b>	(0.4)
	<b>(1.5)</b>	<b>0.8</b>	<b>(0.7)</b>	–

The deferred tax movements in both the current and prior years relating to equity-settled transactions are in respect of share-based payments and arise as a result of fluctuations in share price in the year and the stage of maturity of existing schemes.

The current and deferred tax movements in both the current and prior years relating to defined benefit pension plans are in respect of plan remeasurements accounted for in other comprehensive income and special contributions made to the scheme.

During 2023 legislation was enacted to implement the Organisation for Economic Co-operation and Development (OECD) Base Erosion and Profit Shifting (BEPS) Pillar Two income inclusion rule (IIR) in the UK, which will apply to accounting periods that begin on or after 31 December 2023. Although the Group has turnover in excess of the Pillar Two threshold, all trade is carried out through a single UK-based trading company and so there are not expected to be any ‘top-up’ tax requirements arising from this new regime.

## 9. Earnings per share

### Basic earnings per share

Basic earnings per share for the 52 weeks ended 28 December 2024 is calculated by dividing profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the 52 weeks ended 28 December 2024 as calculated below.

### Diluted earnings per share

Diluted earnings per share for the 52 weeks ended 28 December 2024 is calculated by dividing profit attributable to ordinary shareholders by the weighted average number of ordinary shares, adjusted for the effects of all dilutive potential ordinary shares (which comprise share options granted to employees) in issue during the 52 weeks ended 28 December 2024 as calculated below.

### Profit attributable to ordinary shareholders

	2024 Excluding exceptional items £m	2024 Exceptional items (see Note 4) £m	2024 Total £m	2023 Excluding exceptional items £m	2023 Exceptional items (see Note 4) £m	2023 Total £m
Profit for the financial year attributable to equity holders of the Parent	141.0	12.4	153.4	126.7	15.8	142.5
Basic earnings per share	138.5p	12.2p	150.7p	125.0p	15.6p	140.6p
Diluted earnings per share	137.5p	12.1p	149.6p	123.8p	15.4p	139.2p

### Weighted average number of ordinary shares

	2024 Number	2023 Number
Issued ordinary shares at start of year	102,255,675	102,112,581
Effect of own shares held	(480,247)	(879,975)
Effect of shares issued	–	86,106
<b>Weighted average number of ordinary shares during the year</b>	<b>101,775,428</b>	<b>101,318,712</b>
Effect of share options in issue	782,816	977,753
<b>Weighted average number of ordinary shares (diluted) during the year</b>	<b>102,558,244</b>	<b>102,296,465</b>

**10. Intangible assets****Group and Parent Company**

	Software £m	Assets under development £m	Total £m
<b>Cost</b>			
Balance at 1 January 2023	40.3	–	40.3
Additions	3.1	5.6	8.7
Disposals	(1.7)	–	(1.7)
Transfers	0.3	(0.3)	–
Balance at 30 December 2023	42.0	5.3	47.3
<b>Balance at 31 December 2023</b>	<b>42.0</b>	<b>5.3</b>	<b>47.3</b>
<b>Additions</b>	<b>3.8</b>	<b>7.0</b>	<b>10.8</b>
<b>Transfers</b>	<b>0.2</b>	<b>(0.2)</b>	<b>–</b>
<b>Balance at 28 December 2024</b>	<b>46.0</b>	<b>12.1</b>	<b>58.1</b>
<b>Amortisation</b>			
Balance at 1 January 2023	26.8	–	26.8
Amortisation charge for the year	3.9	–	3.9
Disposals	(1.7)	–	(1.7)
Balance at 30 December 2023	29.0	–	29.0
<b>Balance at 31 December 2023</b>	<b>29.0</b>	<b>–</b>	<b>29.0</b>
<b>Amortisation charge for the year</b>	<b>4.2</b>	<b>–</b>	<b>4.2</b>
<b>Balance at 28 December 2024</b>	<b>33.2</b>	<b>–</b>	<b>33.2</b>
<b>Carrying amounts</b>			
At 1 January 2023	13.5	–	13.5
At 30 December 2023	13.0	5.3	18.3
<b>At 31 December 2023</b>	<b>13.0</b>	<b>5.3</b>	<b>18.3</b>
<b>At 28 December 2024</b>	<b>12.8</b>	<b>12.1</b>	<b>24.9</b>

All amortisation is charged to administrative expenses in the income statement.

Assets under development relate to software projects arising from the investment in an upgraded ERP system.

## 11. Leases

### Amounts recognised in the balance sheets

The balance sheets show the following amounts relating to leases:

#### Group and Parent Company

	2024 £m	2023 £m
<b>Right-of-use assets</b>		
Land and buildings	<b>377.3</b>	292.3
Plant and equipment	<b>9.9</b>	4.3
	<b>387.2</b>	296.6
	2024 £m	2023 £m
<b>Lease liabilities</b>		
Current	<b>53.8</b>	52.5
Non-current	<b>361.3</b>	267.1
	<b>415.1</b>	319.6

The remaining maturities of the lease liabilities, which are gross and undiscounted, are as follows:

	2024 £m	2023 £m
Less than one year	<b>71.1</b>	64.9
One to two years	<b>69.2</b>	56.8
Two to three years	<b>61.7</b>	49.9
Three to four years	<b>54.2</b>	42.0
Four to five years	<b>46.5</b>	34.5
Five to ten years	<b>149.6</b>	100.4
Ten to twenty years	<b>62.5</b>	19.3
More than twenty years	<b>18.2</b>	–
Total undiscounted lease liability	<b>533.0</b>	367.8

Additions to right-of-use assets during the 52 weeks ended 28 December 2024 as a result of entering into new leases (either as a result of acquiring new shops/supply sites or completing a lease renewal for an existing property) were £143.8 million (2023: £70.3 million).

A further net increase of £8.4 million to right-of-use assets has also been recognised during the 52 weeks ended 28 December 2024 as a result of lease modifications and assumptions relating to lease term once a lease has become expired (2023: net increase of £1.7 million).

**11. Leases** continued**Amounts recognised in the income statement**

	2024 £m	2023 £m
<b>Depreciation charge on right-of-use assets</b>		
Land and buildings	<b>56.8</b>	53.2
Plant and equipment	<b>2.4</b>	1.3
	<b>59.2</b>	54.5
Net impairment charge on right-of-use assets – land and buildings	<b>2.1</b>	2.5
Interest expense (included in finance expense)	<b>13.0</b>	9.6
Expense included for short-term leases (included in cost of sales and administrative expenses)	<b>0.1</b>	–
Expense related to lease of low-value assets that are not shown above as short-term leases (included in administrative expenses)	<b>0.3</b>	0.3
Expense related to variable lease payments not included in lease liabilities (included in distribution and selling costs)	<b>11.4</b>	8.5

The impairment charge is charged to distribution and selling costs in the income statement and arises due to changes in the trading performance of the shops.

The total cash outflow in 2024 for which a lease liability has been recognised in accordance with IFRS 16 was £69.7 million (2023: £63.3 million) and for other lease payments where no lease liability has been recognised was £11.8 million (2023: £8.8 million). In addition, £0.3 million of lease depreciation (2023: £nil) and £0.4 million of interest on lease liabilities (2023: £nil) was capitalised to property, plant and equipment.

The components of the movement in the total lease liability were as follows:

	2024 £m	2023 £m
Opening total liability	<b>319.6</b>	301.3
Additions in respect of new leases	<b>143.8</b>	70.3
Lease modifications	<b>8.4</b>	1.7
Interest on lease liabilities recognised in the income statement	<b>13.0</b>	9.6
Interest on lease liabilities capitalised to property, plant and equipment	<b>0.4</b>	–
Rental payments (including interest paid on lease liabilities within operating activities)	<b>(70.1)</b>	(63.3)
<b>Closing total liability</b>	<b>415.1</b>	319.6

## 12. Property, plant and equipment

### Group

	Land and buildings £m	Plant and equipment £m	Fixtures and fittings £m	Assets under construction £m	Total £m
<b>Cost</b>					
Balance at 1 January 2023	193.5	204.8	414.1	9.7	822.1
Additions	0.3	25.5	107.3	58.0	191.1
Disposals	(2.2)	(8.9)	(47.9)	–	(59.0)
Transfers	0.5	0.4	–	(0.9)	–
Balance at 30 December 2023	192.1	221.8	473.5	66.8	954.2
<b>Balance at 31 December 2023</b>	<b>192.1</b>	<b>221.8</b>	<b>473.5</b>	<b>66.8</b>	<b>954.2</b>
<b>Additions</b>	<b>11.2</b>	<b>25.7</b>	<b>124.4</b>	<b>76.9</b>	<b>238.2</b>
<b>Disposals</b>	<b>(3.8)</b>	<b>(3.6)</b>	<b>(42.9)</b>	<b>–</b>	<b>(50.3)</b>
<b>Transfers</b>	<b>56.7</b>	<b>4.6</b>	<b>0.2</b>	<b>(61.5)</b>	<b>–</b>
<b>Balance at 28 December 2024</b>	<b>256.2</b>	<b>248.5</b>	<b>555.2</b>	<b>82.2</b>	<b>1,142.1</b>
<b>Depreciation</b>					
Balance at 1 January 2023	62.9	113.0	256.2	–	432.1
Depreciation charge for the year	6.5	18.5	41.6	–	66.6
Impairment charge for the year	–	–	3.0	–	3.0
Impairment release for the year	–	–	(1.6)	–	(1.6)
Disposals	(2.1)	(8.7)	(45.4)	–	(56.2)
Balance at 30 December 2023	67.3	122.8	253.8	–	443.9
<b>Balance at 31 December 2023</b>	<b>67.3</b>	<b>122.8</b>	<b>253.8</b>	<b>–</b>	<b>443.9</b>
<b>Depreciation charge for the year</b>	<b>8.1</b>	<b>22.0</b>	<b>46.5</b>	<b>–</b>	<b>76.6</b>
<b>Impairment charge for the year</b>	<b>–</b>	<b>–</b>	<b>4.1</b>	<b>–</b>	<b>4.1</b>
<b>Impairment release for the year</b>	<b>–</b>	<b>–</b>	<b>(1.2)</b>	<b>–</b>	<b>(1.2)</b>
<b>Disposals</b>	<b>(2.0)</b>	<b>(3.5)</b>	<b>(40.5)</b>	<b>–</b>	<b>(46.0)</b>
<b>Balance at 28 December 2024</b>	<b>73.4</b>	<b>141.3</b>	<b>262.7</b>	<b>–</b>	<b>477.4</b>
<b>Carrying amounts</b>					
At 1 January 2023	130.6	91.8	157.9	9.7	390.0
At 30 December 2023	124.8	99.0	219.7	66.8	510.3
<b>At 31 December 2023</b>	<b>124.8</b>	<b>99.0</b>	<b>219.7</b>	<b>66.8</b>	<b>510.3</b>
<b>At 28 December 2024</b>	<b>182.8</b>	<b>107.2</b>	<b>292.5</b>	<b>82.2</b>	<b>664.7</b>

Assets under construction at 28 December 2024 relate to the building of new logistics/manufacturing facilities in Derby and Kettering.

**12. Property, plant and equipment** continued**Group** continued

Assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable and provision is made where necessary. The method and assumptions used in these calculations, together with the associated sensitivities and reasons for impairment, are set out in the basis of preparation – key estimates and judgements on page 135. Any impairment charge/(reversal) is charged/(credited) to distribution and selling costs in the income statement.

**Parent Company**

	Land and buildings £m	Plant and equipment £m	Fixtures and fittings £m	Assets under construction £m	Total £m
<b>Cost</b>					
Balance at 1 January 2023	194.0	205.3	414.6	9.7	823.6
Additions	0.3	25.5	107.3	58.0	191.1
Disposals	(2.2)	(8.9)	(47.9)	–	(59.0)
Transfers	0.5	0.4	–	(0.9)	–
Balance at 30 December 2023	192.6	222.3	474.0	66.8	955.7
<b>Balance at 31 December 2023</b>	<b>192.6</b>	<b>222.3</b>	<b>474.0</b>	<b>66.8</b>	<b>955.7</b>
<b>Additions</b>	<b>11.2</b>	<b>25.7</b>	<b>124.4</b>	<b>76.9</b>	<b>238.2</b>
<b>Disposals</b>	<b>(3.8)</b>	<b>(3.6)</b>	<b>(42.9)</b>	<b>–</b>	<b>(50.3)</b>
<b>Transfers</b>	<b>56.7</b>	<b>4.6</b>	<b>0.2</b>	<b>(61.5)</b>	<b>–</b>
<b>Balance at 28 December 2024</b>	<b>256.7</b>	<b>249.0</b>	<b>555.7</b>	<b>82.2</b>	<b>1,143.6</b>
<b>Depreciation</b>					
Balance at 1 January 2023	63.2	113.2	256.6	–	433.0
Depreciation charge for the year	6.5	18.5	41.6	–	66.6
Impairment charge for the year	–	–	3.0	–	3.0
Impairment release for the year	–	–	(1.6)	–	(1.6)
Disposals	(2.1)	(8.7)	(45.4)	–	(56.2)
Balance at 30 December 2023	67.6	123.0	254.2	–	444.8
<b>Balance at 31 December 2023</b>	<b>67.6</b>	<b>123.0</b>	<b>254.2</b>	<b>–</b>	<b>444.8</b>
<b>Depreciation charge for the year</b>	<b>8.1</b>	<b>22.0</b>	<b>46.5</b>	<b>–</b>	<b>76.6</b>
<b>Impairment charge for the year</b>	<b>–</b>	<b>–</b>	<b>4.1</b>	<b>–</b>	<b>4.1</b>
<b>Impairment release for the year</b>	<b>–</b>	<b>–</b>	<b>(1.2)</b>	<b>–</b>	<b>(1.2)</b>
<b>Disposals</b>	<b>(2.0)</b>	<b>(3.5)</b>	<b>(40.5)</b>	<b>–</b>	<b>(46.0)</b>
<b>Balance at 28 December 2024</b>	<b>73.7</b>	<b>141.5</b>	<b>263.1</b>	<b>–</b>	<b>478.3</b>
<b>Carrying amounts</b>					
At 1 January 2023	130.8	92.1	158.0	9.7	390.6
At 30 December 2023	125.0	99.3	219.8	66.8	510.9
<b>At 31 December 2023</b>	<b>125.0</b>	<b>99.3</b>	<b>219.8</b>	<b>66.8</b>	<b>510.9</b>
<b>At 28 December 2024</b>	<b>183.0</b>	<b>107.5</b>	<b>292.6</b>	<b>82.2</b>	<b>665.3</b>

## Land and buildings

The carrying amount of land and buildings comprises:

	Group		Parent Company	
	2024 £m	2023 £m	2024 £m	2023 £m
Freehold land	11.6	12.3	11.6	12.3
Freehold property	169.7	111.8	169.9	112.0
Long leasehold property	0.3	0.3	0.3	0.3
Short leasehold property	1.2	0.4	1.2	0.4
	182.8	124.8	183.0	125.0

## 13. Investments

### Non-current investments

#### Parent Company

	Shares in subsidiary undertakings £m
<b>Cost</b>	
Balance at 1 January 2023, 30 December 2023 and 28 December 2024	5.8
<b>Impairment</b>	
Balance at 1 January 2023, 30 December 2023 and 28 December 2024	0.8
<b>Carrying amount</b>	
Balance at 1 January 2023, 30 December 2023, 31 December 2023 and 28 December 2024	5.0

The undertakings in which the Company's interest at the year-end is more than 20% are as follows:

	Principal activity	Address of registered office	Proportion of voting rights and shares held
Charles Bragg (Bakers) Limited	Non-trading	1	100%
Greggs (Leasing) Limited	Dormant	1	100%
Thurston Parfitt Limited	Non-trading	1	100%
Greggs Properties Limited	Property holding	1	100%
Olivers (UK) Limited	Dormant	2	100%
Olivers (UK) Development Limited*	Non-trading	2	100%
Birketts Holdings Limited	Dormant	1	100%
J.R. Birkett and Sons Limited*	Non-trading	1	100%
Greggs Trustees Limited	Trustees	1	100%
Solstice Zone A Management Company Limited	Non-trading	3	28%

\* Held indirectly

1 Greggs House, Quorum Business Park, Newcastle upon Tyne NE12 8BU.

2 Clydesmill Bakery, 75 Westburn Drive, Clydesmill Estate, Cambuslang, Glasgow G72 7NA.

3 The Abbey, Preston Road, Yeovil, Somerset BA20 2EN.

**13. Investments** continued**Non-current investments** continued**Parent Company** continued

Solstice Zone A Management Company Limited was not consolidated on the grounds of materiality in either the current or prior year.

The Company's subsidiary undertakings listed above were all entitled to exemption, under subsections (1) and (2) of s480 of the Companies Act 2006 relating to dormant companies, from the requirement to have their accounts audited.

**14. Deferred tax assets and liabilities****Group**

Deferred tax assets and liabilities are attributable to the following:

	<b>Assets</b>		<b>Liabilities</b>		<b>Net</b>	
	<b>2024 £m</b>	<b>2023 £m</b>	<b>2024 £m</b>	<b>2023 £m</b>	<b>2024 £m</b>	<b>2023 £m</b>
Property, plant and equipment	–	–	<b>(76.7)</b>	(61.5)	<b>(76.7)</b>	(61.5)
Employee benefits	<b>3.2</b>	4.8	–	–	<b>3.2</b>	4.8
Short-term temporary differences	<b>0.9</b>	0.7	–	–	<b>0.9</b>	0.7
Unused tax losses	–	1.3	–	–	–	1.3
Tax assets/(liabilities)	<b>4.1</b>	6.8	<b>(76.7)</b>	(61.5)	<b>(72.6)</b>	(54.7)

The Group and Parent Company has a deferred tax asset of £8.4 million relating to buildings which previously qualified for industrial buildings allowance that is unrecognised at 28 December 2024, as it is not considered to be recoverable (30 December 2023: £8.5 million).

The movements in temporary differences during the 52 weeks ended 30 December 2023 were as follows:

	Balance at 1 January 2023 £m	Recognised in income £m	Recognised in equity £m	Balance at 30 December 2023 £m
Property, plant and equipment	(33.2)	(28.3)	–	(61.5)
Employee benefits	4.9	0.2	(0.3)	4.8
Short-term temporary differences	0.7	–	–	0.7
Unused tax losses	1.3	–	–	1.3
	(26.3)	(28.1)	(0.3)	(54.7)

The movements in temporary differences during the 52 weeks ended 28 December 2024 were as follows:

	Balance at 31 December 2023 £m	Recognised in income £m	Recognised in equity £m	Balance at 28 December 2024 £m
Property, plant and equipment	<b>(61.5)</b>	<b>(15.2)</b>	–	<b>(76.7)</b>
Employee benefits	<b>4.8</b>	<b>(0.8)</b>	<b>(0.8)</b>	<b>3.2</b>
Short-term temporary differences	<b>0.7</b>	<b>0.2</b>	–	<b>0.9</b>
Unused tax losses	<b>1.3</b>	<b>(1.3)</b>	–	–
	<b>(54.7)</b>	<b>(17.1)</b>	<b>(0.8)</b>	<b>(72.6)</b>

## Parent Company

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Property, plant and equipment	-	-	(76.1)	(60.9)	(76.1)	(60.9)
Employee benefits	3.2	4.8	-	-	3.2	4.8
Short-term temporary differences	0.9	0.7	-	-	0.9	0.7
Unused tax losses	-	1.3	-	-	-	1.3
Tax assets/(liabilities)	4.1	6.8	(76.1)	(60.9)	(72.0)	(54.1)

The movements in temporary differences during the 52 weeks ended 30 December 2023 were as follows:

	Balance at 1 January 2023 £m	Recognised in income £m	Recognised in equity £m	Balance at 30 December 2023 £m
Property, plant and equipment	(32.6)	(28.3)	-	(60.9)
Employee benefits	4.9	0.2	(0.3)	4.8
Short-term temporary differences	0.7	-	-	0.7
Unused tax losses	1.3	-	-	1.3
	(25.7)	(28.1)	(0.3)	(54.1)

The movements in temporary differences during the 52 weeks ended 28 December 2024 were as follows:

	Balance at 31 December 2023 £m	Recognised in income £m	Recognised in equity £m	Balance at 28 December 2024 £m
Property, plant and equipment	(60.9)	(15.2)	-	(76.1)
Employee benefits	4.8	(0.8)	(0.8)	3.2
Short-term temporary differences	0.7	0.2	-	0.9
Unused tax losses	1.3	(1.3)	-	-
	(54.1)	(17.1)	(0.8)	(72.0)

**15. Inventories**

	Group and Parent Company	
	2024 £m	2023 £m
Raw materials and consumables	<b>38.6</b>	31.8
Work in progress	<b>16.6</b>	17.0
	<b>55.2</b>	48.8

Inventory recognised as an expense during the year was £613.2 million (2023: £570.3 million). The write-down of inventories that was recognised as an expense in the period was £49.3 million (2023: £46.2 million). There was no reversal of write-down of inventories in the current or prior year.

**16. Trade and other receivables**

	Group and Parent Company	
	2024 £m	2023 £m
Trade receivables	<b>35.0</b>	33.3
Other receivables	<b>13.8</b>	9.5
Prepayments	<b>13.6</b>	11.0
	<b>62.4</b>	53.8

At 28 December 2024 and 30 December 2023 the allowance for expected credit losses (ECLs) on financial assets are not material.

The ageing of trade receivables at the balance sheet date was:

	Group and Parent Company	
	2024 £m	2023 £m
Not past due date	<b>30.6</b>	29.8
Past due 1-30 days	<b>3.9</b>	2.8
Past due 31-90 days	<b>0.2</b>	0.5
Past due over 90 days	<b>0.3</b>	0.2
	<b>35.0</b>	33.3

The Group believes that all amounts that are past due by more than 30 days that have an immaterial allowance for ECLs are still collectable in full based on historic payment behaviour and extensive analysis of customer credit risk. Based on the Group's monitoring of customer credit risk, the Group believes that no significant allowance for ECLs is necessary in respect of trade receivables not past due.

## 17. Cash and cash equivalents

	Group and Parent Company	
	2024 £m	2023 £m
Cash and cash equivalents	<b>125.3</b>	195.3

## 18. Trade and other payables

	Group		Parent Company	
	2024 £m	2023 £m	2024 £m	2023 £m
Trade payables – capital	<b>22.7</b>	14.8	<b>22.7</b>	14.8
Trade payables – other	<b>97.8</b>	84.3	<b>97.8</b>	84.3
Amounts owed to subsidiary undertakings	<b>–</b>	–	<b>7.7</b>	7.7
Other taxes and social security	<b>10.3</b>	12.0	<b>10.3</b>	12.0
Other payables	<b>63.0</b>	48.0	<b>63.0</b>	48.0
Accruals	<b>33.5</b>	45.3	<b>33.5</b>	45.3
Deferred income	<b>16.1</b>	6.2	<b>16.1</b>	6.2
Deferred government grants	<b>0.5</b>	0.5	<b>0.5</b>	0.5
	<b>243.9</b>	211.1	<b>251.6</b>	218.8

The amounts owed to subsidiary undertakings are repayable on demand.

Other payables includes £25.7 million (2023: £24.8 million) for performance-related remuneration.

## 19. Current tax

The current tax liability of £9.1 million in the Group and the Parent Company (2023: Group and Parent Company: £4.9 million) represents the estimated amount of income taxes payable in respect of current and prior years.

## 20. Non-current liabilities – other payables

	Group and Parent Company	
	2024 £m	2023 £m
Deferred government grants	<b>1.8</b>	2.3

The Group has been awarded five government grants relating to the extension of existing facilities and construction of new facilities. The grants, which have all been recognised as deferred income, are being amortised over the weighted average of the useful lives of the assets they have been used to acquire.

## 21. Employee benefits – Pensions

### Scheme background

The Company sponsors a funded final salary defined benefit pension plan (the 'scheme') for qualifying employees. The scheme was closed to future accrual in 2008 and all remaining employees who are still members of the scheme are now members of the Company's defined contribution scheme.

The scheme is administered by a trustee company (the 'Trustee') which is legally separate from the Company. The directors of the trustee company are composed of representatives of both the employer and employees and are required by law to act in the interest of all relevant beneficiaries and are responsible for the investment policy with regard to the assets plus the day-to-day administration of the benefits.

UK legislation requires that pension schemes are funded prudently. The last funding valuation of the scheme was carried out by a qualified actuary as at 5 April 2023 and showed a deficit. The Company made a special contribution to the scheme in April 2024 of £4.5 million which facilitated the purchase in May 2024 of a bulk annuity 'buy-in' policy with Aviva covering all scheme members. This policy provides regular payments to the Trustee to fund future pension payments and significantly reduces the Company's exposure to the funding risks associated with its defined benefit pension liabilities. In 2024 the Company agreed a new schedule of contributions with the scheme which sets out the circumstances when further contributions to the scheme may be required, rather than a specific amount to be paid. Any call for further funds may arise from the guaranteed minimum pension equalisation exercise which the scheme is currently undertaking, following the judgment in the Lloyds Banking Group case. Current indications are that the timing is uncertain and this would not be a material amount.

The valuation of the assets held by the scheme following the buy-in results in an accounting loss. Although a buy-out of the scheme is possible in the future there is no indication that this will be executed and finalised in the short-term. The scheme has retained all responsibility to meet future pension payments to pensioners and the buy-in is not recognised as a settlement. Therefore the loss on the valuation of the qualifying insurance policy asset has been recognised through other comprehensive income in the year ended 28 December 2024.

The Company has a legal right to benefit from any surplus on the winding up of the scheme. The IAS 19 valuation for the comparative period (30 December 2023) showed that the scheme had a surplus at that time. However, this surplus and the future-committed contributions would have been subject to withholding tax at 35% prior to any refund to the Company. In accordance with accounting standards this withholding tax was recognised as a deduction from the valuation surplus.

### Profile of the scheme

The defined benefit pension obligation includes benefits for deferred members and current pensioners.

At 28 December 2024, the scheme had no active members (2023: nil), 317 deferred members (2023: 332) and 312 pensioners (2023: 299).

The scheme duration is an indicator of the weighted average time until benefit payments are made. For the scheme as a whole, the duration is approximately 12 years (2023: 15 years).

### Investment strategy

During 2024 the scheme's equity and bond holdings were sold and the cash used to purchase a bulk annuity buy-in policy with Aviva. The assets of the scheme now comprise this policy together with a small amount of residual cash as detailed below. The prime objective of the scheme is to provide pension and lump sum benefits for members on their retirement and/or benefits on death, before or after retirement, for their dependants, on a defined benefits basis. Under the policy, Aviva makes monthly payments to the Trustee to cover the insured member benefits and the scheme liabilities have been substantially secured.

### Risks to the scheme

The purchase during 2024 of the bulk annuity policy has substantially secured the scheme's liabilities. All members covered by the policy continue to be members of the scheme, and the Trustee continues to have ultimate responsibility for the payment of benefits to these members. The purchase of the policy has introduced some concentration and illiquidity risk (as the policy cannot be readily sold) and exposes the scheme to a degree of insurance provider risk, i.e. the risk that Aviva fails to meet their obligations to the scheme and its members. The Trustee expects the insurance provider risk to be addressed through the supervisory regime applicable to insurance companies within the UK.

## Defined benefit pension (liability) / asset

	Group and Parent Company	
	2024 £m	2023 £m
Defined benefit obligation	<b>(80.5)</b>	(82.8)
Fair value of plan assets	<b>80.1</b>	95.4
Net defined benefit pension (deficit)/surplus before IFRIC 14 adjustment	<b>(0.4)</b>	12.6
IFRIC 14 adjustment	<b>–</b>	(6.0)
Net defined benefit pension (liability)/asset after IFRIC 14 adjustment	<b>(0.4)</b>	6.6

In accordance with IFRIC 14, the Group considered that the net defined benefit pension surplus in the prior year was limited to the present value of benefits available in the form of any future refunds from the plan (net of withholding tax at 35% – the rate of withholding tax in force at the balance sheet date) and also took into account the adverse effect of the minimum funding requirement that the Group was committed to as at 30 December 2023.

## Liability for defined benefit pension obligations

Changes in the present value of the defined benefit pension obligation are as follows:

	Group and Parent Company	
	2024 £m	2023 £m
Opening defined benefit pension obligation	<b>82.8</b>	82.5
Interest income	<b>3.6</b>	3.8
Remeasurement losses/(gains):		
– changes in mortality assumptions	<b>1.4</b>	(1.9)
– changes in financial assumptions	<b>(8.6)</b>	1.9
– experience	<b>5.7</b>	0.3
Benefits paid	<b>(4.4)</b>	(3.8)
Closing defined benefit pension obligation	<b>80.5</b>	82.8

Changes in the fair value of plan assets are as follows:

	Group and Parent Company	
	2024 £m	2023 £m
Opening fair value of plan assets	<b>95.4</b>	94.6
Net interest on plan assets	<b>4.3</b>	4.4
Remeasurement (losses)/gains	<b>(19.7)</b>	0.2
Company special contribution	<b>4.5</b>	–
Benefits paid	<b>(4.4)</b>	(3.8)
Closing fair value of plan assets	<b>80.1</b>	95.4

## 21. Employee benefits – Pensions *continued*

### Defined benefit pension asset/(liability) *continued*

The costs charged in the income statement are as follows:

	Group	
	2024 £m	2023 £m
Interest income on net defined pension liability	0.7	0.6
Associated movement in IFRIC 14 adjustment	(0.3)	(0.3)
Net interest income	0.4	0.3

The amounts recognised in other comprehensive income are as follows:

	Group	
	2024 £m	2023 £m
Remeasurement losses on defined benefit pension plans	(18.2)	(0.1)
Associated movement in IFRIC 14 adjustment	6.3	0.1
Net remeasurement losses on defined benefit pension plans	(11.9)	–

The fair value of the plan assets is as follows:

	Group and Parent Company	
	2024 £m	2023 £m
Bulk annuity policy – UK	79.3	–
Equities – UK	–	4.0
– Overseas	–	7.1
Bonds – Corporate	–	29.1
– Government	–	43.6
Cash and cash equivalents/other	0.8	11.6
	80.1	95.4

### Principal actuarial assumptions (expressed as weighted averages):

	Group and Parent Company	
	2024	2023
Discount rate	5.50%	4.55%
Future salary increases	n/a	n/a
Future pension increases	1.90%–2.80%	1.95%–2.55%
Rate of price inflation (RPI)	3.15%	3.00%
Rate of price inflation (CPI)	2.75%	2.60%

In November 2020 the Government announced that RPI is to be aligned with CPIH (CPI with owner occupiers' costs) from 2030. As a result the RPI assumption has been updated along with the assumed future gap between RPI and CPI.

### Mortality assumption

Mortality in retirement is assumed to be in line with the S3PXA tables using CMI 2023 projections, though placing no weight on 2020 and 2021 data and limited weight on 2022 and 2023 data due to the inherent uncertainty over the longer-term implications of Covid-19, together with a long-term future rate of improvement of 1.25% per annum. Under these assumptions, pensioners aged 65 now are expected to live for a further 22.0 years (2023: 21.4 years) if they are male and 24.5 years (2023: 23.5 years) if they are female. Members currently aged 45 are expected to live for a further 23.3 years (2023: 22.7 years) from age 65 if they are male and for a further 25.9 years (2023: 24.7 years) from age 65 if they are female.

The sensitivities regarding the principal assumptions used to measure the scheme liabilities as at 28 December 2024 are set out below:

	Change in assumption	Impact on scheme liabilities
Discount rate	0.5% increase	Decrease of £4.3m
Inflation	0.5% decrease	Decrease of £2.7m
Mortality rates	1 year increase	Increase of £3.2m

The other demographic assumptions have been set having regard to latest trends in the scheme.

The Group is aware of a UK High Court legal ruling in June 2023 between Virgin Media Limited and NTL Pension Trustees II Limited which decided that certain historic rule amendments were invalid if they were not accompanied by the actuarial certifications. The ruling was subject to appeal and in July 2024 the Court of Appeal confirmed the 2023 UK High Court legal ruling. The Group is considering, with the scheme Trustee, the impact of this ruling. An initial review of scheme rule amendments has not shown any immediate concerns and the Group will continue to monitor any developments. As the outcome of any impact is unknown, no adjustments have been made in these accounts.

### Defined contribution plans

The Company also operates defined contribution schemes for other eligible employees. The assets of the schemes are held separately from those of the Group. The pension cost represents contributions payable by the Group and amounted to £35.5 million (2023: £30.3 million) in the year. At 28 December 2024 regular monthly employee and employer contributions of £3.4 million were not paid over to the schemes (30 December 2023: £2.8 million). These amounts were paid to the schemes in January.

## 22. Share-based payments – Group and Parent Company

The Group has established a Savings-Related Share Option Scheme, an Executive Share Option Scheme and a Performance Share Plan.

The terms and conditions of the grants for these schemes are as follows, whereby all options are settled by physical delivery of shares:

	Date of grant	Employees entitled	Exercise price	Number of shares granted	Vesting conditions	Contractual life
Executive Share Option Scheme 17	April 2014	Senior employees	£5.00	598,225	Three years' service and EPS growth of 1%-4% over RPI on average over those three years	10 years
Executive Share Option Scheme 18	March 2015	Senior employees	£10.22	298,045	Three years' service and EPS growth of 1%-7% over RPI on average over those three years	10 years
Executive Share Option Scheme 19	April 2016	Senior employees	£10.88	235,857	Three years' service and EPS growth of 2%-8% over RPI on average over those three years	10 years
Executive Share Option Scheme 20	April 2017	Senior employees	£10.33	246,219	Three years' service and EPS growth of 5%-11% on average over those three years	10 years
Performance Share Plan 10	April 2019	Senior executives	£nil	128,534	Three years' service, EPS average annual growth of 5%-11% over those three years and average annual ROCE of 24%-28% over those three years	10 years
Executive Share Option Scheme 22	April 2019	Senior employees	£18.30	140,913	Three years' service, EPS average annual growth of 5%-11% over those three years and average annual ROCE of 24%-28% over those three years	10 years
Performance Share Plan 11	October 2020	Senior executives	£nil	166,366	Three years' service, EPS performance in FY2022, ROCE performance in FY2022 and two strategic objectives	10 years
Executive Share Option Scheme 23	November 2020	Senior employees	£17.20	121,202	Three years' service, EPS performance in FY2022, ROCE performance in FY2022 and two strategic objectives	10 years
Savings-Related Share Option Scheme 22	April 2021	All employees	£16.72	291,979	Three years' service	3.5 years
Performance Share Plan 12	April 2021	Senior executives	£nil	120,022	Three years' service, EPS performance in FY2023, ROCE performance in FY2023	10 years
Performance Share Plan 12 (retained)	April 2021	Senior executives	£nil	29,512	Three years' service	10 years
Executive Share Option Scheme 24	April 2021	Senior employees	£22.63	120,994	Three years' service, EPS performance in FY2023, ROCE performance in FY2023	10 years
Savings-Related Share Option Scheme 23	April 2022	All employees	£19.68	265,209	Three years' service	3.5 years
Performance Share Plan 13	March 2022	Senior executives	£nil	91,305	Three years' service, EPS average annual growth of 3%-8% over those three years and average annual ROCE of 19.6%-22.6% over those three years	10 years
Performance Share Plan 13a	May 2022	Senior executives	£nil	36,014	Three years' service, EPS average annual growth of 3%-8% over those three years and average annual ROCE of 19.6%-22.6% over those three years	10 years
Executive Share Option Scheme 25	March 2022	Senior employees	£24.31	118,357	Three years' service, EPS average annual growth of 3%-8% over those three years and average annual ROCE of 19.6%-22.6% over those three years	10 years
Savings-Related Share Option Scheme 24	May 23	All employees	£21.06	268,478	Three years' service	3.5 years

	Date of grant	Employees entitled	Exercise price	Number of shares granted	Vesting conditions	Contractual life
Performance Share Plan 14	May 23	Senior executives	£nil	109,583	Three years' service, EPS average annual growth of 4%-9% over those three years, average annual ROCE of 18.7%-21.2% over those three years and a CO <sub>2</sub> emissions reduction target	10 years
Executive Share Option Scheme 26	May 23	Senior employees	£27.92	130,075	Three years' service, EPS average annual growth of 4%-9% over those three years, average annual ROCE of 18.7%-21.2% over those three years and a CO <sub>2</sub> emissions reduction target	10 years
Performance Share Plan 15	March 24	Senior executives	£nil	114,763	Three years' service, EPS average annual growth of 5%-10% over those three years, average annual ROCE of 18.4%-20.8% over those three years and a Scope 3 CO <sub>2</sub> emissions target	10 years
Executive Share Option Scheme 27	March 24	Senior employees	£28.29	148,587	Three years' service, EPS average annual growth of 5%-10% over those three years, average annual ROCE of 18.4%-20.8% over those three years and a Scope 3 CO <sub>2</sub> emissions target	10 years
Savings-Related Share Option Scheme 25	May 24	All employees	£22.50	340,160	Three years' service	3.5 years
Performance Share Plan 15a (retained)	December 24	Senior executive	£nil	2,000	One year's service	1 year
Performance Share Plan 15b (retained)	December 24	Senior executive	£nil	2,000	Two years' service	2 years

**22. Share-based payments – Group and Parent Company** continued

The number and weighted average exercise price of share options is as follows:

	2024		2023	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at the beginning of the year	<b>£14.60</b>	<b>1,680,816</b>	£11.84	1,819,739
Forfeited during the year	<b>£24.77</b>	<b>(55,906)</b>	£13.88	(207,148)
Exercised during the year	<b>£9.04</b>	<b>(516,902)</b>	£7.78	(439,911)
Granted during the year	<b>£19.56</b>	<b>608,610</b>	£18.27	508,136
Outstanding at the end of the year	<b>£17.75</b>	<b>1,716,618</b>	£14.60	1,680,816
Exercisable at the end of the year	<b>£14.70</b>	<b>206,449</b>	£10.13	264,675

No options expired during the period covered by the above tables. The options outstanding at 28 December 2024 have an exercise price in the range of £nil to £28.29 (2023: £nil to £27.92) and have a weighted average contractual life of 5.0 years (2023: 5.1 years). The options exercised during the year had a weighted average market value of £28.49 (2023: £26.04).

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on the Black-Scholes model for all Savings-Related Share Option Schemes and Executive Share Option Schemes and for Performance Share Plan options granted from 2014 onwards. The fair value per option granted and the assumptions used in these calculations are as follows:

	2024					2023		
	Performance Share Plan 15 March 2024	Executive Share Option Scheme 27 March 2024	Savings-Related Share Option Scheme 25 May 2024	Performance Share Plan 15a (retained) December 2024	Performance Share Plan 15b (retained) December 2024	Performance Share Plan 14 May 2023	Executive Share Option Scheme 26 May 2023	Savings-Related Share Option Scheme 24 May 2023
Fair value at grant date	<b>£26.49</b>	<b>£6.12</b>	<b>£8.65</b>	<b>£27.19</b>	<b>£26.59</b>	£25.91	£7.48	£10.92
Share price	<b>£28.29</b>	<b>£28.29</b>	<b>£28.12</b>	<b>£27.80</b>	<b>£27.80</b>	£27.62	£27.62	£28.46
Exercise price	<b>£nil</b>	<b>£28.29</b>	<b>£22.50</b>	<b>£nil</b>	<b>£nil</b>	£nil	£27.92	£21.06
Expected volatility	<b>30.52%</b>	<b>30.52%</b>	<b>29.99%</b>	<b>28.66%</b>	<b>28.66%</b>	40.11%	40.11%	40.52%
Option life	<b>3 years</b>	<b>3 years</b>	<b>3 years</b>	<b>1 year</b>	<b>2 years</b>	3 years	3 years	3 years
Expected dividend yield	<b>2.19%</b>	<b>2.19%</b>	<b>2.20%</b>	<b>2.23%</b>	<b>2.23%</b>	2.14%	2.14%	2.07%
Risk-free rate	<b>4.07%</b>	<b>4.07%</b>	<b>4.47%</b>	<b>4.32%</b>	<b>4.26%</b>	4.05%	4.05%	3.82%

The expected volatility is based on historical volatility, adjusted for any expected changes to future volatility due to publicly available information. The historical volatility is calculated using a weekly rolling share price for the three-year period immediately prior to the option grant date.

The costs charged to the income statement relating to share-based payments were as follows:

	2024 £m	2023 £m
Share options granted in 2020	–	0.4
Share options granted in 2021	0.4	1.3
Share options granted in 2022	1.2	1.6
Share options granted in 2023	1.7	1.3
Share options granted in 2024	1.2	–
	<b>4.5</b>	4.6
Social security contributions	0.4	0.4
Total expense recognised as employee costs	<b>4.9</b>	5.0

## 23. Provisions

	Group and Parent Company									
	2024 Dilapidations £m	2024 National Insurance £m	2024 Redundancy £m	2024 Other £m	2024 Total £m	2023 Dilapidations £m	2023 National Insurance £m	2023 Redundancy £m	2023 Other £m	2023 Total £m
Balance at start of the year	4.1	1.3	0.1	0.7	6.2	3.6	1.6	0.1	1.0	6.3
Additional provision in the year	2.8	0.5	–	0.1	3.4	1.8	0.4	–	0.1	2.3
Utilised in the year	(1.0)	(0.9)	–	(0.2)	(2.1)	(0.7)	(0.7)	–	(0.1)	(1.5)
Provisions reversed during the year										
- Ordinary provisions	(0.6)	–	–	(0.3)	(0.9)	(0.6)	–	–	–	(0.6)
- Exceptional provisions (Note 4)	(0.2)	–	(0.1)	–	(0.3)	–	–	–	(0.3)	(0.3)
Balance at end of the year	5.1	0.9	–	0.3	6.3	4.1	1.3	0.1	0.7	6.2
Included in current liabilities	2.7	0.6	–	0.1	3.4	2.5	1.0	–	0.5	4.0
Included in non-current liabilities	2.4	0.3	–	0.2	2.9	1.6	0.3	0.1	0.2	2.2
	5.1	0.9	–	0.3	6.3	4.1	1.3	0.1	0.7	6.2

Dilapidation provisions have been made based on the future expected repair costs required to restore the Group's leased properties to their fair condition at the end of their respective lease terms, where it is considered a reliable estimate can be made and it is probable that the Group will be required to settle the obligation. Based on the Group's experience in respect of shops it is not considered probable at lease inception that it will be required to make any payment in respect of dilapidations. Therefore a provision is only recognised in respect of shops when circumstances suggest that there will be such a requirement. For other leased properties, an estimate of these future expected repair costs is assessed at lease inception and recognised as part of the cost of the asset when a reliable estimate can be made.

National Insurance costs are provided in respect of future share options exercises.

Other provisions are in respect of onerous costs relating to closed shops where the lease has not yet expired.

The majority of all of the provisions are expected to be utilised between one and four years such that the impact of discounting would not be material.

**24. Capital and reserves****Share capital**

	Ordinary shares	
	2024 Number	2023 Number
In issue and fully paid at start of year – ordinary shares of 2p	102,255,675	102,112,581
Issued on exercise of share options	–	143,094
	<b>102,255,675</b>	<b>102,255,675</b>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

During the year no shares were issued (2023: 143,094) as a result of the exercise of vested options granted to senior management under the Executive Share Option Scheme and the exercise of options under the Savings-Related Share Option Scheme. Options were exercised at an average price of £13.99 in 2023.

**Share premium account**

The share premium reserve relates to the proceeds received in excess of the nominal value of shares issued, net of any transaction costs.

**Capital redemption reserve**

The capital redemption reserve relates to the nominal value of issued share capital bought back by the Company and cancelled.

**Own shares held**

Deducted from retained earnings is £59.3 million (2023: £63.1 million) in respect of own shares held by the Greggs EBT. The EBT, which was established during 1988 to act as a repository of issued Company shares, holds 436,548 shares (2023: 775,552 shares) with a market value at 28 December 2024 of £12.1 million (2023: £20.2 million) which have not vested unconditionally in colleagues. During the year the EBT purchased 177,898 (2023: 186,700) shares for an aggregate consideration of £5.0 million (2023: £5.0 million) and sold 516,902 (2023: 277,460) shares for an aggregate consideration of £4.7 million (2023: £1.6 million).

The shares held by the Greggs EBT can be purchased either by employees on the exercise of an option under the Greggs Executive Share Option Schemes, Greggs Savings-Related Share Option Scheme and Greggs Performance Share Plan or by the trustees of the Greggs Employee Share Scheme. The trustees have elected to waive the dividends payable on these shares.

**Dividends**

The following tables analyse dividends when paid and the year to which they relate:

	2024 Per share pence	2023 Per share pence
2022 final dividend	–	44.0p
2023 interim dividend	–	16.0p
2023 final dividend	<b>46.0p</b>	–
2023 special dividend	<b>40.0p</b>	–
2024 interim dividend	<b>19.0p</b>	–
	<b>105.0p</b>	<b>60.0p</b>

The proposed final dividend in respect of 2024 amounts to 50.0 pence (£50.9 million). This dividend is not included as a liability in these accounts.

Dividends paid during the year are as follows:

	2024 £m	2023 £m
2022 final dividend	–	44.6
2023 interim dividend	–	16.2
2023 final dividend	<b>46.8</b>	–
2023 special dividend	<b>40.7</b>	–
2024 interim dividend	<b>19.3</b>	–
	<b>106.8</b>	60.8

## 25. Capital commitments

During the 52 weeks ended 28 December 2024, the Group entered into contracts to purchase property, plant and equipment and intangible assets for £100.5 million (2023: £63.5 million) all of which is expected to be settled in 2025.

In addition to the above, in early January 2025 the Group completed the purchase of land at Symmetry Park in Kettering to be used for the development of a new National Distribution Centre, with a total cost of £31.1 million, following the granting of planning permission for the site towards the end of 2024.

## 26. Related parties

### Identity of related parties

The Group has a related party relationship with its subsidiaries (see Note 13), Directors and executive officers, and pension schemes.

### Trading transactions with subsidiaries – Parent Company

	Amounts owed to related parties		Amounts owed by related parties	
	2024 £m	2023 £m	2024 £m	2023 £m
Dormant subsidiaries	<b>7.7</b>	7.7	–	–

The Greggs Foundation is also a related party and during the year the Company made a donation to The Greggs Foundation of £3.1 million (2023: £2.6 million), as well as passing on £1.4 million from customers, raised from donations, the sale of carrier bags, and a contribution from sales of designated charity products. The Greggs Foundation holds 281,000 shares (2023: 281,000 shares) in Greggs plc and Richard Hutton, a Director of Greggs plc, is a trustee of The Greggs Foundation.

### Transactions with key management personnel

Details of Directors' shareholdings, share options, emoluments, pension benefits and other non-cash benefits can be found in the Directors' Remuneration Report on pages 95 to 118.

Summary information on remuneration of key management personnel is included in Note 5.

## TEN-YEAR HISTORY

	2015 <sup>1</sup>	2016	2017	2018	2019 <sup>2,3</sup>	2020 <sup>1</sup>	2021 <sup>1</sup>	2022	2023	2024
Turnover (£m)	835.7	894.2	960.0	1,029.3	1,167.9	811.3	1,229.7	1,512.8	1,809.6	<b>2,014.4</b>
Total sales growth/(decline)(%)	3.7%	7.0%	7.4%	7.2%	13.5%	(30.5%)	51.6%	23.0%	19.6%	<b>11.3%</b>
Company-managed shop like-for-like sales growth/(decline)(%)	4.7%	4.2%	3.7%	2.9%	9.2%	(36.2%)	52.4%	17.8%	13.7%	<b>5.5%</b>
Operating profit/(loss) excluding exceptional items (£m)	73.1	80.3	82.2	89.8	114.8	(7.0)	153.2	154.4	171.7	<b>195.3</b>
Profit/(loss) before tax excluding exceptional items (£m)	73.1	80.3	81.7	89.8	114.2	(12.9)	145.6	148.3	167.7	<b>189.8</b>
Profit/(loss) before tax margin excluding exceptional items (%)	8.7%	9.0%	8.5%	8.7%	9.8%	(1.59%)	11.8%	9.8%	9.3%	<b>9.4%</b>
Pre-tax exceptional (charge)/gain (£m)	–	(5.2)	(9.9)	(7.2)	(5.9)	(0.8)	–	–	20.6	<b>14.1</b>
Profit/(loss) on ordinary activities including exceptional items and before tax (£m)	73.0	75.1	71.9	82.6	108.3	(13.7)	145.6	148.3	188.3	<b>203.9</b>
Diluted earnings/(loss) per share excluding exceptional items (pence)	55.8	60.8	63.5	70.3	89.7	(12.9)	114.3	117.5	123.8	<b>137.5</b>
Ordinary dividend per share declared (pence)	28.6 <sup>4</sup>	31.0	32.3	35.7	11.9	–	57.0	59.0	62.0	<b>69.0</b>
Special dividend per share declared (pence)	20.0	–	–	–	35.0	–	40.0	–	40.0	<b>–</b>
Total shareholder return (%)	87.1%	(23.8%)	47.5%	(7.4%)	84.7%	(22.0%)	87.3%	(26.8%)	13.5%	<b>10.6%</b>
Capital expenditure (£m)	71.7	80.4	70.4	73.0	86.0	58.7	57.4	110.8	199.8	<b>249.0</b>
Return on capital employed (excluding exceptional items)(%)	26.8%	28.1%	26.9%	27.4%	20.0%	(2.4%)	23.0%	21.0%	21.1%	<b>20.3%</b>
Number of shops in operation at year end	1,698	1,764	1,854	1,953	2,050	2,078	2,181	2,328	2,473	<b>2,618</b>

1 2014 and 2020 were 53 week years, impacting on total sales growth for that year and the year immediately following.

2 IFRS 16 leases was implemented at the start of the financial year using the modified retrospective approach. Prior year comparatives have not been restated.

3 The final dividend declared in respect of 2019 was cancelled as a cash preservation measure during the Covid-19 crisis.

4 Restated for a change in accounting policy relating to deferred tax.

All of the non-GAAP measures detailed above can be calculated from the GAAP measures included in the annual accounts with the exception of those detailed on pages 172 and 173.

### Calculation of alternative performance measures

**Like-for-like sales growth** – compares year-on-year cash sales in our company-managed shops, with more than one calendar year's trading history and is calculated as follows:

	2024 £m	2023 £m
Current year like-for-like sales	<b>1,564.0</b>	1,444.3
Prior year like-for-like sales	<b>1,483.1</b>	1,270.0
Growth in like-for-like sales	<b>80.9</b>	174.3
Like-for-like sales growth percentage	<b>5.5%</b>	13.7%

## ALTERNATIVE PERFORMANCE MEASURES

Like-for-like sales can be reconciled to total revenue as follows:

	2024 £m	2023 £m
Like-for-like sales in company-managed shops	1,564.0	1,444.3
Non-like-for-like sales in company-managed shops	217.7	166.6
Total revenue in retail company-managed shops	1,781.7	1,610.9
Business to business sales	232.7	198.7
Total revenue	2,014.4	1,809.6

**Franchise like-for-like system sales growth** – compares year-on-year cash sales in our franchised shops, with more than one calendar year's trading history and is calculated as follows:

	2024 £m	2023 £m
Current year franchise like-for-like sales	280.1	227.9
Prior year franchise like-for-like sales	260.8	198.2
Growth in franchise like-for-like sales	19.3	29.7
Franchise like-for-like sales growth percentage	7.4%	14.9%

Franchise system sales are different from revenue. They are the sales made in our franchised shops whereas the Company's revenue from business-to-business sales comprises sales of products to franchise and wholesale partners together with the licence fee charged to franchise partners.

**Return on capital employed** – calculated by dividing profit before tax by the average total assets less current liabilities for the year.

	2024 Underlying £m	2024 Including exceptional items (see Note 4) £m	2023 Underlying £m	2023 Including exceptional items (see Note 4) £m
Profit before tax	189.8	203.9	167.7	188.3
Capital employed:				
Opening	857.2	857.2	730.3	730.3
Closing	1,009.5	1,009.5	857.2	857.2
Average	933.4	933.4	793.8	793.8
Return on capital employed	20.3%	21.8%	21.1%	23.7%

**Net cash inflow from operating activities after lease payments** – calculated by deducting the repayment of principal of lease liabilities from net cash flow from operating activities.

	2024 £m	2023 £m
Net cash inflow from operating activities	310.9	310.8
Repayment of principle of lease liabilities	(56.7)	(53.7)
Net cash inflow from operating activities after lease payments	254.2	257.1

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