

A1 CAKE MIXES LIMITED**DIRECTORS' STATEMENT OF COMPLIANCE WITH DUTY TO PROMOTE THE SUCCESS OF THE COMPANY**

Under section 172(1) of the Companies Act 2006, the Board has a duty to act in good faith and in a way that would be most likely to promote the success of the Company for the benefit of its shareholders whilst having regard to matters set out in S172(1) (a-f) of the Act:

- (a) the likely long term consequences of decisions;
- (b) the interest of the Company's employees;
- (c) the need to foster the Company's business relationships with suppliers, customers and others;
- (d) the impact of the Company's operations on the community and the environment;
- (e) the desirability of the Company maintaining a reputation for high standards of business and conduct; and
- (f) the need to act fairly as between the Company's owners.

To discharge their section 172(1) duties the Board have had regard to the factors set out above and acknowledge that for the business to grow over the long term, a full understanding of the Company's stakeholders is required to ensure that the Board can make informed decisions which factor in stakeholder interest.

Stakeholder engagement

The Board consider its significant stakeholder groups to be:

- (i) Customers and suppliers

The Company is one of the largest independent bakery ingredient suppliers and speciality cake mix blenders in the UK and is renowned for providing value-added services such as new product development and technical competence to its customers. We believe we are well placed to assist our customers in developing new products, anticipating trends and staying one step ahead in the market. The working relationship we have with our customers and suppliers involves constant dialogue and communication.

As part of the Brenntag Group, the Company has access to a global supply network whilst retaining a local presence – this ensures that the Company is ideally placed to meet its business partners' requirements.

The Company's business partners are vital to ensuring the long term success of the Company, this principle remains unchanged and as a business we constantly review our business model with the view to leveraging further potential.

(ii) Employees

Our employees with their expertise and dedication play a key role in the Company's success and long term prospects. As part of the Brenntag Group, the Company follows the Brenntag global human resources strategy. A key part of this strategy is to promote employee retention and development at every level. We encourage open dialogue, allowing employees to play a part in shaping the Company and foster a change and performance culture.

The internal online group portal supports and promotes the flow of information, communication and cooperation between Brenntag Group employees. The platform brings together Brenntag Group employees and facilitates the sharing of information, experiences and best practice methods.

During the year the Company also participated in the Brenntag global e-learning programme, which offers flexible and digital based training on specific professional skills and regional compliance. The programme aims to foster a culture of autonomous learning.

(iii) Shareholders

Brenntag Group policies and procedures ensure that the Board constantly engage with its ultimate parent company Brenntag AG, this promotes and maintains consistently high standards of current, relevant, compliance. Brenntag AG's representatives are actively involved in decisions surrounding strategy, operational performance, capital investments and financial structure and their input is factored into all such decisions.

(iv) The community and environment

As part of the Brenntag Group, the consideration of the impact on the community and environment is taken at Group level. Further details are available in the Annual Sustainability Report of the ultimate parent company Brenntag AG which is available on the group's website at: <https://www.brenntag.com/corporate/en/sustainability/>

During the year the Company continued to participate in the “Brenntag Giving” programme. This programme is operated at a Brenntag UK & Ireland group level and involves each month a site being selected whose employees can choose a good cause or registered charity who should receive a donation from Brenntag. The Company also continued to allow its employees to take time off work so they can support a charitable organisation in the local community.

Developments during the year

The Board’s principal decision during the year was to approve the payment of an interim dividend to its immediate parent. The Board considered the long term consequences of paying up its distributable reserves and considered on balance it was in the best interest of its stakeholders as a whole.