#### Greencore

## Making every day taste

Sustainability report 2020 makingeverydaytastebetter.com

## "Sustainability for us is grounded in substance – not slogans or soundbites"

As I introduce Greencore's inaugural sustainability report against the backdrop of a global health pandemic, I cannot help but reflect upon the profound impact that COVID-19 is having on people's lives, and also our business. I have said before that Greencore's history is characterised by repeated and fundamental change. Unquestionably, FY20 has amplified that.

The world is still adjusting to the challenges brought about by COVID-19, and will continue to do so for some time. The pressures COVID-19 has put on our food system have been immense, yet these same pressures have also shown the ability of this system, and businesses like ours, to cope remarkably well in the face of a crisis.

The food industry has done an exceptional job in pivoting its operations, services and products to ensure food supplies remain plentiful. It has required collaboration between different food sectors and supply chains, a repositioning of value proposition, and a wealth of innovation. Imagine what our industry could collectively achieve if we applied such a mindset when it comes to tackling climate change.

At Greencore, we are passionate about playing our part in building a fairer and more resilient food system for generations to come. I believe we have a real opportunity to draw on the lessons learnt from COVID-19 to do this successfully

It is clear to me that our new sustainability strategy must not only have the capability to drive transformative change at every level, both inside and outside of the business, but also the flexibility to enable us as a company to be fleet of foot in this era of uncertainty.

This requires a new type of leadership, one that will enable Greencore to move beyond the confines of 'sustainability as usual' and well-intentioned pledges that may only result in incremental progress, rather than being integral to way business is done. We need to be braver, to embrace more radical thinking, but always ensure our decision-making is based on robust data, clear judgement and sound pragmatism.

With this in mind, we have taken the decision to put agility at the heart of our sustainability strategy. This will enable us to swiftly adapt our thinking and response as trends, markets or regulations change. It will ensure we remain competitive and relevant to society's needs as we embed environmental and social priorities more deeply into the Greencore business model.

By taking such an approach, we can also humanise our strategy, which is important if we want to take our colleagues with us on this journey. Our colleagues are key to our success. They drive everything we do - our passion, our beliefs and our behaviours. The incredible determination and courage they have shown during the pandemic in keeping our manufacturing units running and the nation fed with freshly prepared, quality food is testament to this.

Our new strategy will seek to harness their passion, so that as a business, we can make a measurable difference when it comes to finding enduring solutions for the future challenges our food system faces. We have also integrated this strategy into our new corporate purpose, 'Making every day taste better' to help support this engagement effort.

This report marks the next phase in our mission to take our purpose and our sustainability ambition beyond our operations and into the wider world. In it, we introduce the rationale behind our new strategy, our approach and ambition which includes a set of aspirational goals underpinned by short term action plans, our governance and accountability structures, and our FY20 progress to date. We also highlight stories of how our colleagues have been inspired to drive positive action, whether it's inside our business units, working with our supply chains or in the wider community.

Having set the overall vision for our strategy, we plan to develop a more detailed roadmap in FY21 which will outline how we intend to achieve our goals. This will build upon successes already achieved across our operations as a Group.

We have made significant year-on-year reductions in direct greenhouse gas emissions, energy consumption and total waste generated including food waste. We promote water stewardship across all of our manufacturing sites and greater uptake of sustainable packaging materials for our products. We have reduced our accident incident rates. We have strengthened our sustainability procurement requirements and the vast majority of our direct suppliers are now screened against a set of social criteria. Additionally, all of our manufacturing operations have been subject to an independent ethical audit.

It is important to me that in Greencore we remain transparent in how we disclose and communicate our progress and achievements to stakeholders. For this reason, we have prepared this report in alignment with the Global Reporting Initiative ('GRI') Standards: Core Option. GRI is one of the most widely used standards for sustainability reporting. It focuses on a company's impacts on the wider world, rather than solely on impacts specific to their direct business activities. This was a critical consideration for us as we prepare to make the biggest difference we possibly can through the products and services we offer and the way we do business.

Becoming 'GRI ready' for disclosure requirements has been a complex and demanding task. I am very grateful to our Board and senior management teams for how we came together to execute this, and I am confident we now have a solid baseline upon which to build and move forward.

To ensure we hold ourselves accountable to the highest levels, we have also strengthened our sustainability governance structures. We have appointed one of our Non-Executive Directors as our new Sustainability Engagement Director with responsibility for reviewing the Group's sustainability objectives, performance, and delivery of the strategy. Our Sustainability Engagement Director will be supported by our Sustainability Steering Committee and six Sustainable Business Management Groups. This new level of accountability will ensure we remain on track to deliver on our stated commitments and long-term goals.

As we embark on this new trajectory, I know our teams have the skills, determination and enthusiasm to navigate us forward as we look to find new solutions to do business better. In doing so, it is my hope that we can inspire others, especially within our wider stakeholder community and value chain, to work with us on some of the bigger challenges our food system faces. We certainly can't do this alone, but we can lead by example.

Patrick Coveney **Chief Executive Officer** 23 November 2020



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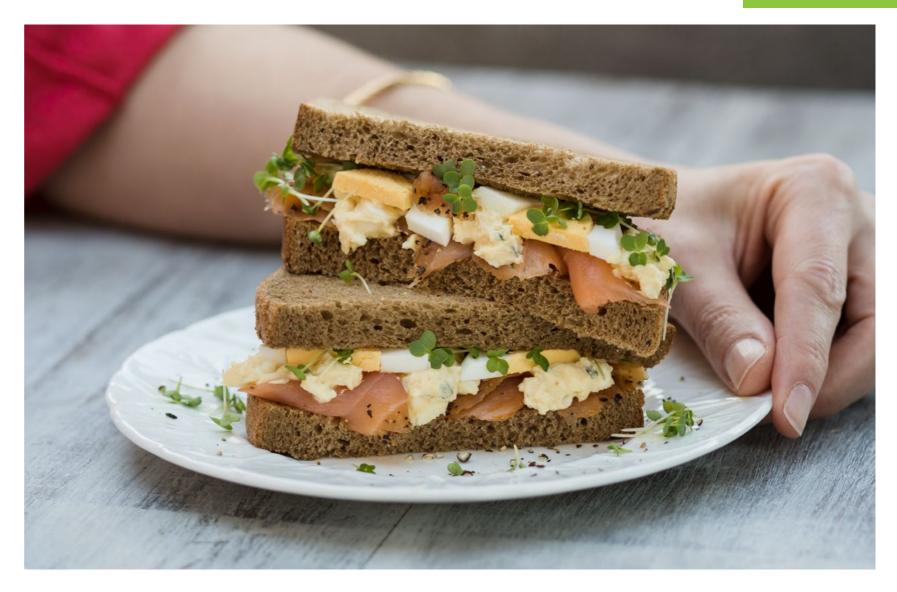




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## for role in helping to build a more resilient, fairer food system

Playing our part in creating and delivering a more sustainable, equitable and inclusive food system is at the top of our agenda. Consumers, customers and investors are increasingly calling on us to work with others to change how we do business, and to find solutions that can feed a growing population without causing harm to the planet. Responding to these calls represents a challenge — but also provides a leadership opportunity.



As one of the UK's largest food manufacturers, we believe we have a transformative role to play when it comes to fighting food waste and hunger while being climate-smart, both on a local and global level. Taking action on such issues will unlock a wealth of broader societal benefits, such as improved food security, advancement of human rights, better public health outcomes and economic prosperity.

The global food system has adapted remarkably well over the years to meet the demands placed upon it. However, if the food system is expected to feed a population of 9.7 billion people by 2050, we need to recalibrate some of the agricultural practices, production processes and distribution channels that support it. That will involve interventions at every stage of the journey from farm to fork, boosting efficiency, affordability and access, while reducing resource use.

The food system is not as agile as it could be and could hugely benefit from investment in new technologies, skills, product and process innovation as well as policy reform. The COVID-19 pandemic has shone a light on these vulnerabilities, but it has also demonstrated the food system's ability to adapt quickly and prosper in the face of a crisis.

COVID-19 represents a pivotal event for our sector and how we move forward is critical. Unlike previous recessions and downturns, we cannot afford for our business to recover at any cost. The challenges that existed before the pandemic still exist and we need to face those head-on as we adapt to this fast-evolving landscape. This means ensuring our operations, products and wider activities make a positive difference to society while contributing to our ongoing success.

How we use our position to shape the future of food will be impacted by various touchpoints in addition to the environmental pressures of carbon, water, energy, waste and land. Other food system interactions we need to consider and factor into our sustainability approach include demographical shifts, changing consumer demands, food technology and innovation, nutrition, health and social inclusion. Many of these considerations are interconnected. They are also complex

and multifaceted, and will take time to address. We do not have all the answers nor can we work alone to tackle them. We want to deepen our collaborative work with our peers, suppliers, customers, governments and non-governmental organisations ('NGOs') to find systemic solutions that can be applied not just within our own business, but scaled and replicated across different food supply chains and geographies.

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At Greencore, we have begun by defining our corporate purpose, 'Making every day taste better'. Our sustainability strategy plays a critical role in the delivery of our purpose through its focus on The Greencore Way. These building blocks will enable us to not only lead the way for our sector, but also share learnings so that others can follow.

As we work with others to forge a modern food system that creates value for all, we are confident that our new purpose and sustainability strategy puts the most impactful climate and social actions at the heart of our business model. We are only at the start of this journey and the road ahead may be long, but we have the passion, ability and determination to do this.

We have made great progress in recent years thanks to The Greencore Way a model that describes both who we are and how we will succeed. We have used this model to ensure that we put People at the Core of everything we do, deliver Great Food for our customers and consumers, drive Excellence in the way we operate and do all this with Sustainability in mind. Our new corporate purpose, 'Making every day taste better' builds on this. Together with our sustainability strategy it marks a new chapter for the business.

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For us, purpose and sustainability are interconnected. By sharing and reflecting what makes us different - People at the Core, Great Food, Excellence, and Sustainability - our people will help us bring our purpose to life. Our people are the single most important element of our organisation. They bring ideas and inspiration to the table, and deliver the processes, services and values that underpin our core proposition.

Our purpose is now the driving force behind our business. We will use it to define our culture, to build our teams, to make our products more relevant, and to tell our story. It will not only help us do better, but to matter more - to our customers, consumers, and other key stakeholders - as we embark on this journey to enhance the way we do business.

Making with care Sustainability 000 Building Capability Winning on quality **People at the Core** Embedding a safety culture Inspiring leadership **Engaging and** effective teams Delivering Protecting food safety

Making every day taste

At Greencore, we are committed to conducting our business with the highest level of honesty and integrity. Our Code of Ethics and Business Conduct sets out the principles we rely on to carry out our day-to-day work.

We plan to use our new corporate purpose and sustainability strategy to help people understand and enjoy food in a way that enhances their health and wellbeing while inspiring their passion for a better world. This takes many forms, including enabling consumers to make more informed food choices on nutrition, giving them more channels to access fresh and affordable meal solutions, and eliminating single use plastics.

While our markets are local, we are reliant on global supply chains for some commodities we source like prawns and palm oil, which can present sustainability challenges to the food system. We will use our scale to work with suppliers to address these issues in a positive way that safeguards local eco-systems and communities while supporting jobs and livelihoods.





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#### How we can influence

We are a leading manufacturer of convenience food, supplying the UK grocery retail market. We produce fresh products across a broad range of convenience food categories including sandwiches, salads, sushi, chilled snacks, chilled ready meals, chilled soups and sauces, chilled guiche as well as ambient sauces and pickles, and frozen Yorkshire puddings.

We employ approximately 12,200 colleagues across our operations, which consist of 21 production units at 16 locations, four regional distribution centres and 14 transport hubs. Within the regions we serve, we have strong market positions in grocery sandwiches, sushi and Italian chilled ready meals, as well as own label ambient cooking sauces and pickles.

In the past year we produced 619 million sandwiches and other food to go products, and created more than 700 new recipes. These consumers, through their desires, actions and purchasing power, are driving much of the change we see in society today and we want to use our reach to respond to these trends in a more relevant way.

## Our new

## agenda

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Our plan for a new sustainability strategy comes at an opportune time. The COVID-19 pandemic has brought into sharp focus the strengths and weaknesses of the global food system, and is rapidly changing the way we think about, eat and value food.

The emergence of the National Food Strategy, the first independent review of British food policy in 75 years, is set to shape the future direction of our industry as it seeks to ensure a sustainable and equitable food system for the next generation and beyond.

Both this review and COVID-19 are taking place against the backdrop of the UK ending its transition period from the European Union (Brexit), the political imperatives of which still pose a degree of uncertainty for our sector when it comes to food standards, supply chain logistics and workforce planning.

Our sustainability strategy must have the capability and capacity to respond positively to complex issues, such as climate change, resource scarcity, biodiversity, human rights, food inequality, malnutrition and waste, many of which are intertwined.

Our sustainability strategy also needs to be ambitious, and it will be. We plan to set stretching goals for the next 20 years, supported with stepped milestones, that will take us outside of our comfort zone as we look to deliver the pace and scale of change needed. We have already set our overall sustainability ambition and purpose, which signals our direction of travel.

Over the next six months we will develop a detailed roadmap for delivering on our ambition and purpose. Our strategy signals a long term commitment, supported by investment, greater transparency and ongoing stakeholder engagement.

Our sustainability strategy will not only help us better manage our impacts so we can do more with less, but will act as a springboard to create value for society. We want to ensure that our actions and products make a real difference in improving people's lives — whether through the provision of healthier, tasty, affordable food, gainful employment or social development.







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View this report online >:



#### The challenge

Our food system continues to respond to major trends in globalisation, urbanisation, technology and changing diets in remarkable ways, delivering nutrition, convenience, employment, enjoyment and new experiences to more people than ever before.

However, it also faces pressures. Conflict, climate and economic slowdowns have seen hunger and malnutrition rates rise, while industrialised farming has resulted in biodiversity loss, waste and the degradation of natural resources. All these factors threaten the food system's ability to feed a growing population.

In the UK market, obesity is a growing problem linked to poor diet, affordability and food inequality. Malnutrition is estimated to cost our health and social care system £23 billion each year and malnourished adults account for nearly one-third of hospital admissions.

Research suggests that <u>14 million UK households may be unable to</u> afford to eat well. This trend is likely to intensify over the coming months and years due to the economic repercussions of the current COVID-19 pandemic. Brexit and the uncertainty around future trade policies risk heightening these issues.

It is often difficult for UK consumers to make informed food choices due to ambiguity on labelling and unsustainable farming practices.

Taking account of social factors is imperative as we embark on our new sustainability strategy. At Greencore, one of the biggest challenges we face going forward is ensuring that there are no tradeoffs between health, affordability, and sustainability when it comes to feeding the nation. All three elements need to work together and reinforce each other.

Defining what this health-affordability-sustainability nexus looks like across all of our product categories, channels and markets is the first step. We then need to make it work by identifying the best opportunities for product innovation, increased efficiency and creative marketing so we can grow demand and scale for good.

#### Our approach

With our new sustainability strategy, we aim to lead the sustainability agenda for our sector. This means being agile in our approach so that our strategy can evolve and respond quickly in this fast-changing landscape. We need to accelerate progress as best we can, and close the 'intention-action' gap between what we say and what we do. This will ensure our leadership position remains credible.





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As we start to map out and refine our strategy in the coming months, we have set a series of aspirational goals to reflect our long-term ambition. These goals are underpinned by initial milestone targets, to help align and mobilise our people around our new purpose. The milestone approach builds in the short-term actions we need to take as we embark on this journey, but also gives us the flexibility to adapt and respond to change, whilst not diverting from our aspirational goals.

Over the next six months, the Sustainability Steering Committee will approve a detailed roadmap with additional action plans and milestone targets. The roadmap will be reviewed annually and we will report on our progress in our FY21 Sustainability Report.

Our strategy plan has been extensively informed by stakeholder consultation and feedback. This has enabled us to identify the topics most relevant to our operations, the areas where we have credibility to act and can influence real change and set out clearly defined targets and key performance indicators for them.

### **Our sustainability ambition**

"We will make every day taste better by making great food for all, that's accessible, healthier and sustainable."

Building on our work to date, our strategy will be built around three pillars: Sourcing with Integrity; Making with Care; and, Feeding with Pride. Each pillar contains a set of priorities — an aspirational goal supported by milestone targets which relate to the most pressing sustainability challenges, risks and opportunities facing us as a business, and the food system we operate within. They encompass the issues that matter most to our stakeholders and represent the areas where we can drive meaningful and positive change.

By **2030** we will be a business that ...

will source every ingredient from a sustainable and fair supply chain

By **2040** we will be a business that ... will operate with net zero emissions

By **2030** we will be a business that ... will have increased our positive impact on society through our products and community engagement





**Feeding with** 



People are at the core of everything we do and our sustainability ambition is no exception. Our people strategy enables the success of each of our sustainability pillars. It humanises our strategy, uniting passion and learning to drive progress and a culture of innovation.

Feeding with Pride

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By Sourcing with Integrity, we hope to demonstrate leadership on transparency for our sector. Our aspirational goal is to source every ingredient from a sustainable and fair supply chain by 2030. We need to continue to learn as much as we can about where our ingredients come from and how they are produced. This will enable us to address environmental and social issues such as supply chain emissions, product carbon footprint, biodiversity, deforestation, human rights and animal welfare.



nutritious food.

Working with our customers and suppliers, we can better support the redistribution of unsold food to benefit more communities in need. We also want to take a more coordinated approach to our own community strategy to improve the quality of life for people that live close to our operations.

#### **Delivering Feeding with Pride**

This will involve us launching a new initiative #StartsWithFood supported by community engagement plans at each of our sites. Rethinking our product proposition will give us more capacity to support emerging vulnerabilities in our consumers' lives while helping them do the right thing for the planet. We will embed sustainability considerations into new product development as part of this innovation work. As we look to raise our voice on building a future-fit food system, we will scale up our partnerships to tackle our biggest issues.

#### Delivering Sourcing with Integrity

This will involve us setting clear expectations for our suppliers through our new Responsible Sourcing Code of Conduct as we look to step up our risk assessment work on ingredients and raw materials procurement. We remain committed to advancing and respecting human rights across our supply chains and are developing the aforementioned code so that we can strengthen our position on issues such as modern slavery and human trafficking. To reduce our carbon emissions, we are preparing to set a science based carbon reduction target and will undertake work to calculate our Scope 3 emissions.

#### **Delivering Making with Care**

at home or in the workplace.

emissions by 2040.

This will involve us establishing a food loss and waste programme across our operations, and developing net zero roadmaps for each of our sites. We will adopt a science based approach to determine how we can best reduce the climate impacts of our packaging from design to post-use using lifecycle assessment. As part of this, we are working on a project to develop a 100% recyclable sandwich skillet.

Making with Care will help us raise the bar when it comes to taking climate action, especially

on manufacturing resource efficiency, food waste and packaging. In FY20 we produced 619

from 21 manufacturing units across the UK. Our aspirational goal is to operate with net zero

By using our resources more intelligently and extracting greater value from our food waste,

sandwiches in the UK and remain committed to making food to go packaging easier to recycle

we can decarbonise our operations, drive new product development and innovation, and reap cost benefits along the way. We supply approximately two-thirds of all supermarket

million sandwiches and other food to go products, and 116 million chilled prepared meals,







Feeding with Pride will help focus our ability to rethink how our products and actions can contribute to a better world. Our aspirational goal is to increase our positive impact on society through our products and community engagement by 2030. We want to deliver great food that helps alleviate some of the biggest social challenges people face in accessing fresh,

## **Delivering our ambition**

To support our aspirational goals around transparency leadership, creating societal value and net zero emissions, we have refined our key focus areas and set a series of initial milestone targets and short term actions for each of our three sustainability pillars.

	Focus areas	Milestones	Short te
Sourcing with	<ul> <li>Sourcing</li> <li>We will source sustainable ingredients with transparency by holding ourselves and our suppliers to the same high standards of integrity</li> <li>Muman rights of everyone who works for, and with us</li> <li>Alow carbon supply chains</li> <li>We will take action on climate by reducing the carbon impacts of our products and supply chains</li> </ul>	<ul> <li>By 2021, we will set an externally verified carbon reduction Science Based Target ('SBT'), that will include our indirect Scope 3 emissions</li> <li>By 2025, our supply chain will be 100% deforestation free</li> <li>By 2030, 100% of our priority raw materials will be sustainably sourced</li> </ul>	Set cle our Re Map ou oil, soy Screen for env Calcul SBT, ar
Making with	<ul> <li>Besource efficiency</li> <li>We will use less to make more by becoming more resource- efficient and operating a net zero business</li> <li>Decode waste</li> <li>We will cut out food waste within our operations and work with others to minimise it both upstream and downstream in our supply chains</li> <li>Decode and a stream of the lowest planetary impact by making it easier to recycle and eliminating single use plastic</li> </ul>	<ul> <li>By 2025, we will ensure that all of our packaging is recyclable, reusable or compostable and we will eliminate single use plastics across our business</li> <li>By 2030, we will reduce our food waste by 50%</li> <li>By 2030, we will achieve our SBT, reducing our Scope 1 and 2 carbon emissions</li> </ul>	Every s Build a food w Establis "lowes Develo
Feeding with	<ul> <li><b>Description</b></li> <li><b>Descrip</b></li></ul>	<ul> <li>By 2022, we will ensure 100% of surplus product is donated to our communities</li> <li>By 2025, we will have increased our positive impact on the communities in which we operate</li> <li>By 2030 we will achieve parity on our product development of animal protein vs plant-rich alternatives</li> </ul>	Comm plan at Build s produce Develo throug Raise o a futur

 $( \rightarrow )$ 

#### erm actions

- ar expectations for our suppliers launch sponsible Sourcing Code of Conduct
- ur high risk forest commodities (palm paper)
- 100% of ingredient suppliers vironmental risk
- ate Scope 3 (supply chain) emissions, set a nd get this externally verified
- site will deliver a net zero roadmap
- food loss and waste programme, to halve vaste in our own operations
- sh and install a science based approach to t impact" packaging (life cycle assessment)
- pp 100% recyclable sandwich packaging
- nunity engagement #StartsWithFood every site
- sustainability considerations into new ct development
- op partnerships to tackle our biggest issues h sector collaborations
- our voice by contributing to conversations on re-fit food system

## Mapping our plans to the UN Sustainable **Development Goals**

All of our new goals and targets and their corresponding areas of impact have been mapped against specific UN Sustainable Development Goals ('SDGs'). This will enable us to better determine where we can make the biggest difference, both at a national and international level.

We will scale up collaboration with peers, industry bodies, governments and NGOs to make a greater contribution in helping to create a future-fit food system. Our focus will be on strategic partnerships and alliances that can address the systemic challenges our food system faces that are impossible to change alone. We will make sure we work together to go beyond just strategic intent to tangible, measurable action.

For certain commodities we procure that have complex supply chains, we will work with others to make responsible sourcing standards and certification more transparent and robust.

We have put a lot of time and care into shaping our new sustainability strategy including our ambition and commitments. We have been incredibly mindful to ensure this work is grounded in substance, not rhetoric. It must be relatable for our people and suppliers so they understand why we are doing this and how they can deliver what we require of them.

It has to be relevant for our customers and other stakeholders so we can work with them to drive and scale positive change. It also has to connect with our consumers so they can share our purpose and help us respond to deliver fresh, affordable food in more accessible and sustainable ways. Ultimately, we are all in this together.





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#### **Helen Rose, Non-Executive Director** and Sustainability Engagement Director and **Andy Wright, Group Head of Sustainability**

Helen has recently been appointed as Greencore's Sustainability Engagement Director. Helen brings her skills, knowledge and expertise, along with a personal passion for sustainability to the role, which include reviewing the Group's sustainability objectives, procedures and performance. She also acts as a strong source of guidance and support for the Sustainability Steering Committee and the Group Technical function in relation to sustainability matters.

#### Andy: Welcome aboard, Helen. As our newly appointed Sustainability Engagement Director, what is your primary focus?

Helen: My focus is on supporting the team to ensure we have robust governance, data and reporting systems in place. This will help ensure that we can deliver against our sustainability strategy so we can make the biggest difference possible. It is great to see that the priorities we have developed were informed by consultation with all our stakeholders. We need to listen to a variety of voices, not just inside the Company, but outside of it too. This is fundamental to building a prosperous, long term future for Greencore – and it must be one that meets society's expectations too, especially when it comes to mitigating our impacts.

#### Andy: We have recently launched our new corporate purpose 'Making every day taste better'. How does that help our cause?

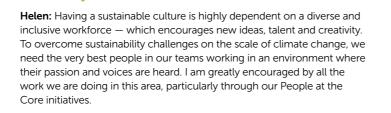
Helen: It is important to have a broader purpose, a clear sense of how a company supports its people, its customers and the communities it operates in, as well as other stakeholders. If you can be clear on your purpose and communicate it well, it can help inspire and motivate colleagues, and drive innovation. We can see how effective a greater sense of purpose is for Greencore, especially since the emergence of COVID-19. Since then, we have focused on three core priorities for the business with keeping our people safe, keeping Britain fed and protecting our business. We saw how simplifying that through our communication can help galvanise action on what matters.

Andy: COVID-19 has undoubtedly changed how companies operate. What do you think this new era of work will look like?

Helen: That is an interesting question. There are a few ways to think about it. A lot of us have had a period of forced reflection and an opportunity to reassess what is important to us. I do think COVID-19 has accelerated some changes that were already underway, for example the shift towards remote working for office-based colleagues. The technology to enable this has been well and truly tested, and many businesses have proven that this model can work

COVID-19 also prompts a wider discussion and analysis on how we transition as a business to a low carbon economy. I hope the UK can bring the same urgency and collaboration we have shown in our pandemic response to the climate emergency.

#### Andy: Building an authentic culture of sustainability inside a company seems more important than ever. How can we achieve this?



Andy: What are the biggest challenges and opportunities when we talk about sustainability?

Helen: Historically, sustainability was pushed to the back of the corporate agenda by many businesses because it was considered a longer-term issue – businesses are often focused on more immediate priorities, but now really is the time for action - we must recognise that this is a long term strategy and progress will be incremental. We need to stick with it and keep ourselves motivated by the little wins. I hear so many great stories about improvements we are making, like reducing waste in different parts of our operations, community engagement activities or forming new partnerships with customers and industry experts to tackle really big issues. These outcomes are making a difference.

"To overcome sustainability challenges on the scale of climate change, we need the very best people in our teams working in an environment where their passion and voices are heard."

Helen: Sustainability reporting in the corporate and investment world is an immature, but rapidly evolving space, which makes comparisons more difficult. Communicating our strategy, targets and plans with transparency is key. This will present a challenge as progress won't be linear, and there will be bumps in the road. We will not make progress alone, but by collaborating across our industry and beyond. If we are clear in how we communicate our goals and build a track record of delivery, then we will stand out.

Helen: I think it was 'bring your whole self to work'. In the early days of my career I was often the only woman in the room. In that environment you may feel restricted and try to change your behaviour to fit in. But as the business world has changed, I have loved seeing people of all backgrounds flourish. When people are allowed to be their true self, creativity, passion and innovation usually follow.

Feeding with Pride

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Andy: With more and more companies claiming to be sustainable, how can we stand out?

#### Andy: Finally, what is the best piece of advice you have ever received?

## **Progress highlights**

ethical audit



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In FY20, we've removed calories from our

ambient cooking

sauces

reduced our total net Scope 1&2 carbon emissions by



Since FY18,

we've

## Managing

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This year we embarked on our first materiality assessment to identify the issues that matter most to our business, and to help us meet our Global Reporting Initiative reporting requirements so we can communicate on these issues to our stakeholders in a more transparent way.



### **Our materiality** process

This year we embarked on a formal materiality assessment. The purpose of the assessment was to identify sustainability issues which matter most to our business, and also to assist us in meeting our GRI requirements, all with the aim of increasing transparency and disclosure to stakeholders.

#### **Our process**

Firstly, we undertook a peer benchmarking exercise to assess our overall sustainability performance in three key areas — target setting, reporting and engagement. This enabled us to identify potential gaps and action items.

We then asked a range of internal and external stakeholders to rate their most significant sustainability issues in order to both assess the relative importance of those issues to our business, and to determine our ability to have an impact (positively, negatively, directly or indirectly) on those issues across the value chain.

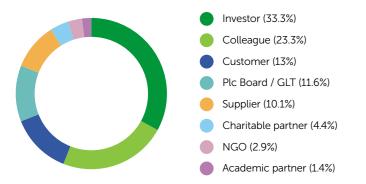
The stakeholder groups we engaged with were identified and weighted against three criteria: their influence on our performance, how our performance influences them, and their level of expertise to inform our strategy. This weighting informed our internal scoring system for each issue identified.

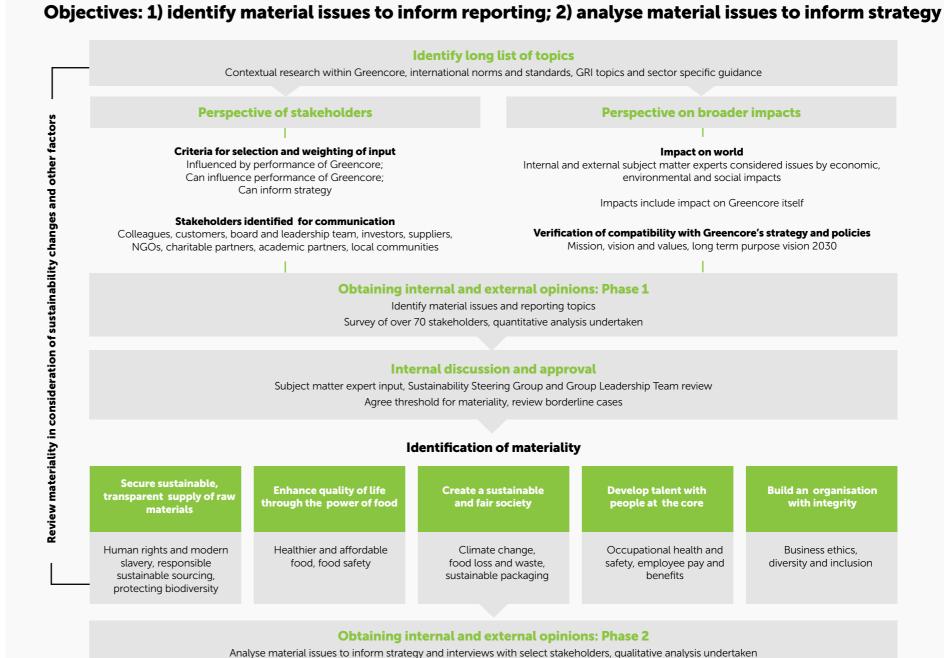
#### How we engaged

Phase One comprised of a materiality survey to identify the material issues and reporting topics. This was completed by 71 stakeholders from the following groups: investors, customers, suppliers, the Greencore Group plc Board, Group Leadership Team, NGOs, community and academic partners. Phase Two involved a series of interviews to gain a deeper insight into the material issues which had been identified.

The output from both phases helped to inform our sustainability strategy.

#### Who we engaged





#### Value creation and solutions for planetary and societal issues through Greencore's business activities

#### **Perspective on broader impacts**

#### Impact on world

Internal and external subject matter experts considered issues by economic, environmental and social impacts

Impacts include impact on Greencore itself

#### Verification of compatibility with Greencore's strategy and policies Mission, vision and values, long term purpose vision 2030

safety, employee pay and benefits

Build an organisation with integrity

Business ethics. diversity and inclusion

## **Our material** issues

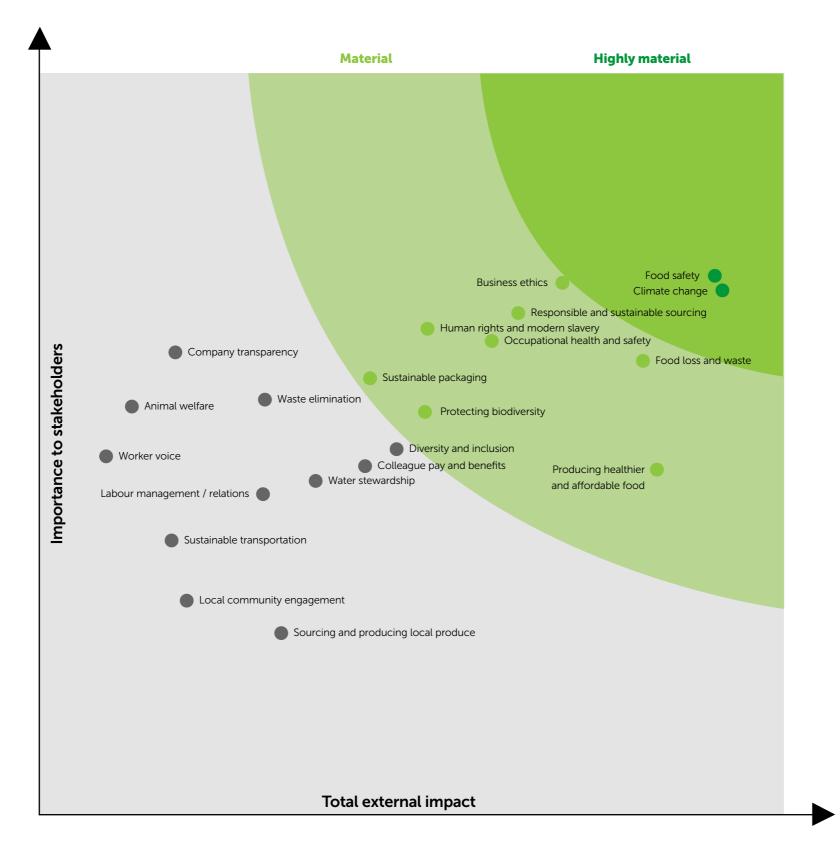
Following the benchmarking exercise, we identified a list of material issues that are important to our business and stakeholders, and the relevant GRI disclosures that are associated with each of them.

To help underpin our sustainability strategy, each material issue has been considered in relation to its economic, social and environmental impacts. We have developed a material impact matrix, which enables us to:

- Align material topics and associated core GRI disclosures to our sustainability strategy;
- Analyse the implications for our sustainability strategy and overall business model; and
- · Identify future projects and actions that should be undertaken.

All issues ranked within the top right quadrant of the materiality matrix shown have been integrated into the three pillars of our sustainability strategy, together with the relevant GRI disclosures. We report on these in more detail in the Sourcing with Integrity, Making with Care and Feeding with Pride sections in this report.

We have also integrated community (localised) action and societal impact into our sustainability strategy. While not defined by the process of material issues, they are fundamental to how we do business. We report on these in more detail in the Feeding with Pride section of this report.



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#### The issues are ranked as follows

#### **Highly material**

- Climate change
- Food safety

#### Material

- Food loss and waste
- Sustainable packaging
- Protecting biodiversity
- Human rights and modern slavery
- Occupational health and safety
- Business ethics
- Responsible and sustainable sourcing
- Producing healthier and affordable food

In addition, the following topics were identified as areas that are increasing in importance for certain stakeholders:

Water stewardship

- Colleague pay and benefits
- Diversity and inclusion



Our stakeholders are highly important to us. They influence our decision-making process and our actions, and are critical to our sustainable growth. We engage with our key stakeholders on a regular basis and this engagement takes many forms.

We work closely with our suppliers and customers to develop, improve and refine our products through collaborative projects, market research and innovation workshops. We consult with NGOs, local community groups and conduct consumer research to better understand the contribution we can make to society, especially when improving livelihoods or making healthier food choices.

We encourage and support our colleagues to get involved in initiatives that meet the specific needs of the communities we operate in. We engage regularly with the investment community to discuss how we are performing against our financial, strategic and sustainability objectives. We also work with industry bodies and platforms to influence positive change at a national and global level.

To create a more effective and more regular dialogue with our stakeholders, we have developed an open <u>online reporting hub</u> that complements our annual sustainability reporting. The hub features interactive tools and data visualisations along with an engaging narrative. We intend to use this platform to broaden our reach as we seek to appeal to a wider audience.

In consultation with our stakeholders we will review our materiality assessment process every two years to identify any changes to our key material risks and opportunities and to evolve our sustainability strategy. We will cross reference this process with global sustainability initiatives such as the UN SDGs and the UN Global Compact and the UN Guiding Principles on Business and Human Rights.

#### **Partnerships**

Many of the issues we want to address across our three sustainability strategic pillars are complex. Some of the challenges we face in this regard are shared by others, both within and outside of our sector, so we are working with key stakeholders to pursue collective action around them. Our current partnerships encompass the majority of our material topics.

We are signatories to several leading platforms to tackle food waste, including the UN Friends of Champions 12.3 and the Department of Environment, Food and Rural Affairs' ('DEFRA') Step up to the Plate initiative, both of which have set ambitious targets to halve food waste in line with the UN SDG 12.3 target by 2030. Through our membership with the Chilled Food Association, we support the Courtauld Commitment 2025 and UK Plastics Pact, both of which are guiding our internal and external action plan on becoming 'climate smart' by improving resource efficiency and reducing plastic waste.

working group level.

We have adopted the Food Waste Reduction Roadmap, developed by WRAP and IGD, to measure, report and act on our food waste. We plan to scale up our work with IGD, through school programmes and education of people, to help them develop the skills they need to succeed in the food industry.

We are a member of the Roundtable on Sustainable Palm Oil ('RSPO') to advance the production and use of sustainable palm oil products in a way that does not cause deforestation and protects biodiversity. We also hold Group Marine Stewardship Council ('MSC') certification for all our products which contain seafood sold with the blue MSC label. This forms part of our ongoing work to influence and promote responsible fishing practices and to ensure traceability from ocean to plate.

We work with several organisations and authorities to improve our visibility of human rights issues within global food supply chains. We have board representation with the Food Network for Ethical Trade ('FNET'), and are members of the Association of Labour Providers ('ALP'). We also work with the Gangmasters and Labour Abuse Authority ('GLAA') and Stronger Together, a multi-stakeholder initiative to tackle the root causes of modern slavery, have involvement with the Sedex Stakeholder Forum and use Sedex tools to drive our ethical supplier systems.

We also have local committee representation with the national charity GroceryAid where we channel much of our charity work, and continue to support the organisation through communications and sponsorship.



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From 1 January 2021, our Group CEO, Patrick Coveney, will take over as President of IGD, the research and training charity for the food and consumer goods industry. This appointment builds on our current involvement with IGD at Board, Policy Issues Council, committee and



## Sustainability and purpose governance

Our corporate purpose and sustainability strategy are set by the Greencore Group plc Board. Our Board monitors our overall sustainability performance against our stated ambition and targets. The Board also reviews potential risks and opportunities associated with our sustainability strategy and corporate purpose. A sustainability update is provided at each scheduled Board meeting.

We have appointed a Non-Executive Director as our Board sustainability champion (the Sustainability Engagement Director), responsible for reviewing the Group's sustainability objectives and performance, including the delivery of the Group's sustainability strategy and also provides updates on progress on sustainability matters to the Board. You can read more in relation to the role here.

The Group has established a Sustainability Steering Committee comprising of leaders from various functions within the Group. The Sustainability Steering Committee has overall responsibility for the delivery of our sustainability strategy. The Committee is chaired by our Group Company Secretary and includes our Technical Director, Engagement and Communications Director, Head of Capital Markets and Head of Sustainability.

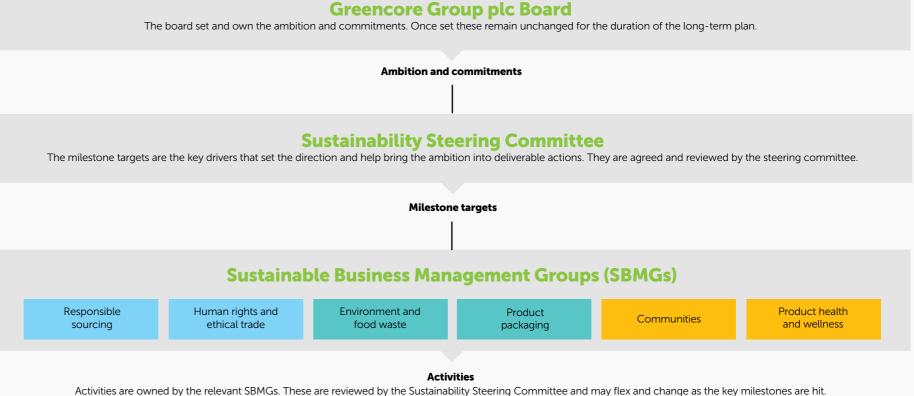
Reporting to this Committee are six Sustainable Business Management Groups ('SBMGs') that provide a cross-functional forum to develop and steer our strategy at an operational level. The SBMGs cover responsible sourcing, human rights and ethical trade, environment and food waste, product packaging, communities and product health and nutrition.

The six SBMGs meet at least four times a year to exchange knowledge and best practice, to align strategic thinking and to provide recommendations for the Sustainable Steering Committee to consider. Each SBMG is made up of senior executives and functional teams who are responsible for driving action across all tiers of the business through the implementation of specific improvement plans at Group, business unit and site level.

We are also more broadly governed by our business ethics approach, in which we strive to act with integrity in all of our dealings and activities. We have a zero-tolerance approach to areas such as bribery, corruption and fraud. We expect our colleagues, partners, suppliers, customers and contractors to act in a way that upholds our commitment to integrity.

We are aware that bribery and corruption can perpetuate poverty and human rights abuse, cause environmental damage, result in unfair business practice and distort market competition. We have controls, policies and procedures in place which aim to prevent bribery and corruption within our business, our supply chain or other third party relationships we hold.

Anyone who works for or on behalf of Greencore is strictly prohibited from either directly or indirectly offering, accepting, paying, or soliciting bribes of any description. We do not engage in deceptive or unfair trade practices and aim to deal fairly and honestly with our suppliers and customers to sustain competitive advantage through our product and service propositions. Our Code of Ethics and Business Conduct, Anti-Bribery and Corruption Compliance Manual and associated policies are reviewed regularly by the Group Secretariat and Legal department.



We help create value for society through our tax contributions, and we fully comply with tax laws in the countries where we operate and meet expectations of good tax practice. Tax is managed by the Group Finance function. Our Senior Group Tax Manager is responsible for tax and reports to the Group Financial Controller who, in turn, reports to the Chief Financial Officer.

We have policies, procedures and ongoing training in place to educate relevant colleagues on their obligations in relation to anti-tax evasion, including our Anti-Tax Evasion and Anti-Tax Evasion Facilitation Policy. Our Group Tax Strategy for each financial year is published on our website. Tax risks are identified and monitored on a regular basis.

We continue to manage and evaluate our approach to business ethics through internal audits that comprise site visits, staff training, and financial due diligence. This process is managed by our Risk Management Group. We have systems and mechanisms in place that enable staff or stakeholders to raise any issues relating to our business ethics approach, including an independently-run whistleblowing hotline.

We take grievances seriously and encourage an open culture where concerns can be discussed. We would like any concerns to be raised and resolved quickly and informally where possible, and we always encourage colleagues to talk openly with each other. We understand that sometimes this isn't possible, and a more formal approach needs to take place. All issues raised are investigated as appropriate in a sensitive, objective and factual way. If colleagues or visitors to our sites feel uncomfortable about raising an issue personally, Greencore provides an independently run 24/7 whistleblowing service, which is operated by NAVEX Global. Any concerns raised via NAVEX Global are fully investigated then reviewed as part of the risk management and internal controls discussion by the Audit and Risk Committee.

We are committed to conducting our business with the highest level of honesty and integrity. Our Code of Ethics and Business Conduct sets out the principles we rely on to carry out our day-to-day activities.



More information on our GRI disclosures for Business Ethics can be found here



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# People at the

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Putting People at the Core is at the centre of The Greencore Way. Our success depends on our people. They are not only intrinsic to how we do business, they also help bring our culture to life both in the workplace and in the wider community. By harnessing colleague talent and commitment, we can deliver our new purpose and sustainability strategy, whilst at the same time inspiring our colleagues and stakeholders to make a positive difference.

Our people strategy is built around three pillars — Embedding a safety culture, Inspiring leadership, and Building engaging and effective teams. The people strategy is led by Guy Dullage, our Chief People Officer, and is integrated across all our core business functions and teams.



## **Unlocking talent**

We remain deeply committed to investing in our people. We pride ourselves on providing an inclusive work culture where everyone can realise their potential through continuous learning and development. This will ultimately support greater social mobility and career progression.

The size and scope of our business means we can offer a range of diverse opportunities for our colleagues, from apprenticeships and mentoring through to formal, structured professional development.

#### Over the past 12 months we have:

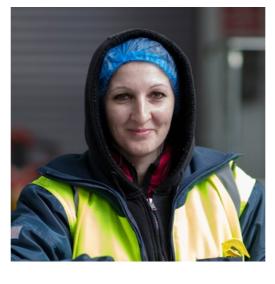
- Created over 1,300 new permanent roles in the Company for people that were previously on agency contracts;
- Continued to roll out our Line Manager Framework programme to develop leadership skills and capabilities for our management teams;
- Launched a new Line Coordinator Framework programme for 1,000 of our frontline team leaders;
- Strengthened employee engagement and communications with regular team briefings and an updated company magazine; and
- Enhanced and developed our performance and career management approach, 'Grow with Greencore', for all salaried employees.

These activities have delivered several important benefits for our business. We have increased our internal hire ratio and reduced our labour turnover rate, thereby reducing our annual labour costs. Our colleague engagement rating and communications ratings have also increased above the manufacturing norm seen in other similar organisations.

"As part of our commitments around purpose, we plan to launch an employee share scheme in which our colleagues will be given the opportunity to own shares in the business"

We hope by sharing in the benefits and profits of Greencore, our colleagues will feel a greater sense of commitment, ownership and pride in what we are trying to achieve with our purpose and sustainability ambitions.





















Feeding with Pride

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#### **People at the Core**

## Embedding a safety culture

#### Vision and goals

The health, safety and wellbeing of our colleagues, or any person who may visit any of our sites, is of paramount importance. Our success depends on the trust they place in us to provide a safe and healthy working environment. Part of this means creating a culture that encourages our colleagues to make informed choices about their physical and emotional wellbeing.

We continually strive to improve the safety of our manufacturing processes, working environments and logistical operations for our colleagues, ensuring they remain alert to any potential health impact that may arise from hazards. We are increasing our focus on human-centric external risk factors such as social demographics and lifestyle choices as these can also impact on colleague health and wellbeing, and the ability or capacity of our colleagues to fulfil their role.



#### **Progress so far**

The impact of the COVID-19 crisis continues to bring health and safety issues into sharp focus, both for our business and the wider community. We have taken extensive actions across a number of fronts to protect lives and livelihoods while supporting local and national efforts to tackle the pandemic and we will continue with these efforts.

This year we developed a new health and safety strategy, built around five pillars. Each pillar comes with clear priorities for action and measures of success. The pillars are as follows:

Standards	Creating common ways of working to achieve sustainable results
People	Providing a framework to keep people healthy and safe
Leadership	Driving accountability, ownership and responsibility at the right levels
Culture	Creating trust and openness to develop a resilient and sustainable approach to health and safety
Governance	Establishing effective process validation to help enable continual improvement

Under our new health and safety strategy, we continue to make good progress in reducing risk and accident rates. Our average Accident Incidence Rate per 100 employees in the UK has reduced from 0.52 in FY19 to 0.50 in FY20. We have also reduced the number and severity of accidents across our commercial fleet operations due to improvements in driver performance and behavioural training and other initiatives.

Accident Incident Rate, accidents per 100 employee (All accidents including minor)

FY20	0.50
FY19	0.52
FY18	0.51

In addition to the improved health and safety systems, we have further improved occupational health systems in place for all our manufacturing sites and have continued to increase investment in health and wellbeing. These improvements are supported by our new 'Hearts and Minds' programme, which will help deepen our understanding of safety culture at each of our sites.

Our health and safety strategy consists of a set of robust processes, procedures, and audits together with ongoing colleague supervision and training across all our sites. Within this, we have implemented a system to ensure we comply with legal occupational health and safety requirements, and consistently apply and communicate risk management standards and guidelines across all areas of the business.

We have also developed a new set of Group-wide health and safety standards, supported by action plans and priorities, and incorporated those into our key performance objectives. The additional investment we are making in technology and software will enable us to further improve our safety processes, communication, reporting and governance. Our Chief Operating Officer and our Director of Health, Safety and Environment are responsible for the overall delivery of our health and safety strategy. Performance against the strategy is reviewed and monitored by our leadership team and our Health and Safety Compliance Manager, and is also subject to regular review and external auditing across our business units.

As part of this health and safety strategy, we are working to enhance our strong 'safety at the core' mindset among our colleagues so that health and safety becomes further embedded into our culture. As we further develop this programme we will conduct gap analysis work so we can determine rates of improvement.

The behaviours of our colleagues are key to this. We continue to invest in colleagues to ensure they continue to grow and remain safety conscious. Our colleagues undertake training and development that covers compliance, operational and developmental competencies. In addition, all of our colleagues, including agency staff, are trained to Level 2 Occupational Health and Safety standard as a minimum requirement.

We monitor the health of our colleagues through our health surveillance programme. To help inform this programme, each of our sites has an occupational health advisor to undertake inspection and audit work. Our physical surveillance programme has reduced due to COVID-19 limitations, however, we have put in place alternative measures such as paper-based questionnaires to replace face-to-face medical screening, and have medically agreed procedures to complete face-to-face consultations in a COVID-19 secure way. Greencore continues to prioritise the health and wellbeing of our colleagues and we have implemented a three-year health and wellbeing strategy. Our action has proven invaluable in proactively addressing some of the mental health challenges that arise for our colleagues, including challenges that have arisen because of COVID-19, for furloughed employees, home workers and those who worked at our sites throughout the pandemic.

Site-specific information, advice, guidance, and counselling is provided to colleagues who may need support, together with regular awareness raising campaign activity and webinar events. We will reinforce and build on the support we can offer to our colleagues through our new Wellbeing programme.

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#### Future ambition

We are developing our health and safety strategy further to ensure hat we can adequately resource our ambitions around vision, culture and leadership. We plan to roll out a Hearts and Minds programme to all of our sites and functions during FY21.

Greencore continues to play a greater role in shaping the future nealth and safety agenda for our sector and we have increased our engagement and collaboration efforts with influential organisations, rrade associations, government agencies and chartered institutions ncluding industry working groups, the Chilled Food Association, Best In Practice Safety Forum, Institution of Occupational Safety and Health, Acre Frameworks and the Safety4Good charity.



More information on our GRI disclosures for Health and Safety can be found <u>here</u>



Keeping our people healthy, safe and well throughout the pandemic has been a key priority for us. We took measures to ensure we could protect every colleague to the best of our ability, whether working on-site, at home or on furlough.

In January 2020 we established a COVID-19 Steering Group to focus on the potential impacts of the virus on our supply and distribution network. As the crisis quickly evolved into a UK threat, we broadened our response and set up additional steering groups to drive action at executive, divisional, functional and site level.

Every decision we take in relation to COVID-19 is based on three priorities:

- Keeping our people safe;
- Feeding the UK; and
- Protecting our business.

To keep our factories and distribution centres running efficiently, we worked to ensure every site exceeded 'COVID Secure' requirements. To enable social distancing in our factories, we took several measures. These included reducing our product ranges, extending our production lines, installing screens, staggering shift times and enabling a significant number of colleagues to work from home. We also installed automatic temperature checking at all of our manufacturing locations.

Communal areas inside our manufacturing units have been equipped with protective screens, signage, barriers, one-way routes and sanitiser. Hygiene arrangements have also been enhanced to include frequent disinfection of touchpoints.

The measures we have taken have enabled us to help feed the nation with freshly prepared food throughout the crisis. We have supplied 220,000 jars of bolognese sauce each week throughout the summer for UK government food parcels, donated thousands of food to go products to NHS workers in 20 hospitals across the UK and provided non-medical PPE to hospitals in South Yorkshire.

Outside of our manufacturing units, we have significantly restricted travel between our sites and limited contractor and other visits unless deemed essential. We have also developed virtual tools so site visits and audits can be undertaken remotely. Throughout the crisis, we have prioritised communication and engagement, both internally and externally with regular updates regarding our rules, policies and the current situation. We have created a specific intranet and internet page featuring various resources, information and guidance, which can be accessed by all of our colleagues.

To help safeguard and support our colleagues' mental health and wellbeing, we produced a series of fact sheets covering various topics that include dealing with isolation, coping with stress, fear and anxiety. These have been supported by webinars and interactive sessions available to colleagues across the Group. We developed a new resource called 'Talk2Us', a confidential support service for all colleagues in work, working from home and furloughed. We actively support GroceryAid, a charity and support service that provides emotional, practical and financial support for grocery workers.

We continue to proactively engage with government, industry groups and regulators to learn from the latest scientific, legal and industry advice as we strive to exceed 'COVID Secure' requirements and take a proactive approach.

#### Delivering action on our goals







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Our team leaders have also received training to support colleagues working from home. Some of this was delivered by the NeuroLeadership Institute, geared towards helping our leaders navigate through times of crisis. We have also undertaken home worker assessments to ensure colleagues have access to the right equipment and working environment to do their job remotely.

To ensure we remain vigilant, we have developed a COVID-19 risk management tool. This gathers data from various sources to provide us with real time alert levels and recommended actions to take. We have shared the tool with several external stakeholders including DEFRA, the Chilled Food Association, other food manufacturers and some customers.

#### Delivering action on our material values

- Food loss and waste
- Business ethics
- Community (localised action)



#### Purpose and goals

Building a working culture that encourages creativity, empowerment and problem solving is critical if we are to achieve our goals. We aim to motivate our people by not only recognising and rewarding their talent but also developing and leading them to take on more responsibility and accountability.

We also recognise the importance of leading by example. Making business ethics one of our guiding leadership principles will help us to attract and retain talent, build stronger teams, instill greater confidence in our principle of 'People at the Core', and enable our colleagues to make ethical decisions that are both good for the business and the marketplace generally.

Our approach to business ethics is covered in more detail in the 'Managing our impact' section of this report.

#### **Progress so far**

Each year we invest over £3.5m in training and development to build workforce capacity and capability. We have increased the number of internal people we recruit into vacant roles by 7% as a direct result of this.

During FY20, we have supported the development of our colleagues further with the introduction of a new performance and career approach, 'Grow with Greencore'. This tool has boosted colleague confidence and positivity levels relating to personal development (by 10%) and career progression (by 8%), as measured by our FY20 employee engagement survey.

We continue to invest in our apprenticeship programme and have 200 apprentices enrolled in various schemes across the business. We have 23 apprentices on our Degree Apprenticeship Programme, which is our bespoke trainee manager scheme that aims to build a pipeline of future leaders.





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Annual investment in training and development to build workforce capacity and capability

#### **Future ambition**

every day heroes

## "It's about doing right by people"

#### A key member of our Ethical Committee is Gillian Winters, Technical Executive for our Prepared Meals Business Unit. She talks about how our ethical training programme 'Impactt' is helping our people thrive

What is Impactt, and why was it introduced in Greencore? We do a lot of work to help our managers understand how to create a good working experience for our people. Communication is a key priority here. Our audit work showed that we needed to improve in this area so I reached out to Impactt. Impactt are an ethical trade consultancy who run workshops that aim to humanise people beyond simply just their job or role. It's about seeing a person for the individual he or she is.

#### What happens in these workshops?

The sessions focus on asking our people how they want to be treated. We give colleagues the opportunity to express what they like and don't like about working at Greencore, and the ways that they wish to be treated. This includes sharing personal experiences that aren't always work-related. It gives our people an opportunity to influence and develop the kind of workplace they want to be part of.

#### How does this benefit each individual?

We have a very diverse workforce, and culturally people do behave and perceive things differently. What feels right to one person may not necessarily feel right for another. Until you have an open and transparent conversation with your team, thoughts and feelings can go unspoken or even ignored. Impactt breaks down these barriers. We can not treat everyone like a number - we all have different feelings, needs and wants.

#### Have you encountered any challenges along the way?

The main challenge when you're dealing with people is to win hearts and minds. As a business, we tend to work with facts, figures and measures of success like key performance indicators. But when you work with people, it's not that simple. It takes a long time to see real benefits come through.

#### How has it made a difference?

We've seen a positive shift in behaviour change. Colleagues are showing more consideration towards each other which is based on a better understanding of each other. One of the best things for me was the level of engagement we got with colleagues on the factory floor.

#### What do you think Greencore can learn most from this process?

Social interaction is really important to make sure people feel valued and a member of a team. Sometimes when we're busy talking facts and figures, that's the part that gets lost. Those learnings on how to engage more deeply with people, that's what we'll be taking forward



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#### **People at the Core**

## **Building engaging and** effective teams

#### Vision and goals

We take the time to get to know our teams by listening and responding to their ideas and concerns. We pride ourselves on having a diverse workforce where colleagues can learn from each other and bring fresh thinking to the table, which is key if we want to build more inclusivity into our decision-making process and achieve better business outcomes.

We are committed to being an employer of choice and our employee engagement has gone from strength to strength over the past three years. We pride ourselves on our gender diversity mix. Our male-to-female percentage ratio is 60/40 across nearly all levels of the business, 50/50 at board level and 50/50 at executive level.

We look to improve our recruitment and retention rates by offering sustainable and rewarding career choices for our people. We recognise that our dependence on agency workers carries potential impacts for the labour market in terms of job insecurity, earning capacity and local economic growth. We have transferred more than 1,300 agency staff to Greencore contracts. As Greencore colleagues, they are guaranteed a minimum working week and an opportunity to progress their career.

#### **Progress so far**

We are proud that our workplace attracts a diverse mix of people both in terms of gender and ethnicity and generates equal opportunities for everyone regardless of gender, age, race, disability or sexual orientation. We do not tolerate any discriminatory behaviour or attitudes and that extends to pay, hiring, compensation, access to training, promotion and termination of employment.

Our colleague induction process covers the Code of Ethics and Business Conduct. Its variety of ethical topics includes discrimination, and we look to reinforce this through employment codes and standards. Diversity and inclusion are built into our core policies and procedures, which are regularly reviewed and refined in accordance with legislation. We are working on the further development of our diversity and inclusion strategy and will report on this in due course.

We measure how well we are engaging with our colleagues through our annual 'People at the Core' employee engagement survey. For the past two years we have partnered with an external agency to gather deeper insights from this process, which has enabled us to benchmark our performance in this area against our peers.

More than 9,200 of our colleagues (80%) participated in the latest survey. Our general engagement rate has also increased over the past two years, from 66% in FY19 to 69% in FY20. Our engagement rates are based on a question set that measures an employee's sense of belonging in Greencore.

We have appointed a Non-Executive Director with responsibility for engagement with the Company's workforce (a 'Workforce Engagement Director') with effect from FY20. The role of the Workforce Engagement Director is to ensure that there is effective engagement between the Board and our colleagues and that the Board receives, understands and considers the views of our colleagues.

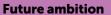
Our engagement efforts have also been boosted with the introduction of a staff performance and recognition system, regular team briefings and a new company magazine. This, combined with our community outreach work, which includes paid volunteer days and charitable fundraising, has resulted in our people feeling more valued and included in the business.

Both our Group People Plan and Labour Sustainability Plan drive and inform our work on engagement, recruitment and retention, nondiscrimination, diversity and equal opportunity. Our Chief People Officer has responsibility for our Group People Plan.

The Labour Sustainability Plan is owned by our Senior HR Leadership team who, in partnership with central and operational management teams, are responsible for ensuring that it is implemented and delivered. Both plans are integrated into our day-to-day operations across the business, supported by a policy that is focused on developing and rewarding colleagues

Feeding with Pride

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Diversity and equal opportunity continue to be a high priority for Greencore and we are using our Group People Plan to further understand our cultural environment and footprint. As part of this we intend to develop our Diversity and Inclusion Policy further, which includes setting associated goals and ambitions for the business.

We are looking to strengthen our employee engagement efforts. As part of this, we are exploring a number of opportunities. We have developed a flexible working approach to support colleagues who may wish to exercise greater flexibility over the hours they work, or where they work from. This, we believe, will help us to both retain the value of our workforce and attract a wider recruitment pool going forward. We will also create personal development plans for all of our colleagues.

We have set a goal to ensure our employee engagement level is aligned with the norm for our sector. We will introduce an organisational wide approach to employee forums which will run monthly across all sites. We have also set a target to reduce the number of external hires and promote internally where possible.



More information on our GRI disclosures for Diversity and Inclusion can be found here and Employee Pay and Benefits can be found here

A reward and remuneration strategy is in place for all salaried positions. We are committed to ensuring all our colleagues receive equal pay for carrying out equivalent roles. Our agency colleagues are entitled to and receive the same pay and benefits as those of permanent staff after twelve weeks' service. Salaried colleagues are assessed against our Greencore behaviours every quarter.

Our pay and benefit structures are tiered and clearly distinguish set remuneration based upon skill set, size and complexity of role. Colleagues are encouraged to continually develop their skill range (should they wish to do so) and opportunities to achieve their career aspirations are continually open. Role profiling and evaluation is used to determine and set pay and benefits and these are reviewed on a regular basis. Opportunities to progress are open to all and actively encouraged.

Any colleague grievance issues including allegations of discrimination and harassment can be reported internally or to an external whistleblowing hotline

## Here project Equipping our leaders with the skills to solve

Our Greencore Manufacturing Excellence ('GME') programme aims to equip our managers with the skills to analyse, problem solve and deliver continuous improvements to process efficiency, through a 'bootcamp' type approach. GME delivers efficiency improvements by empowering our leadership teams to solve some of the biggest production challenges associated with food waste.

This involves developing and testing new working practices in conjunction with workers on the factory floor, sharing best practice across different sites, and investing in new technology to support smarter ways of working.

As we work towards halving food waste across all of our operations, the programme has delivered a number of outcomes including:

- By changing how we open tuna pouches, our operators have found it easier to retrieve all of the fish inside to reduce wastage
- By improving defrost processes we can ensure optimum moisture retention, preventing any drainage of waste
- By retraining our teams in our slicing preparation areas, to utilise offcuts and installing catch trays, we have reduced waste and spillages
- By implementing tighter counting processes and better communication we have reduced the number of product rejects against customer orders.

The GME programme started within our Food to Go business in 2017, and has since been rolled out across the entire group. We are now developing the approach so we can broaden its reach and use it to identify food waste hotspots within our supply chains.

#### **Delivering action on our goals**

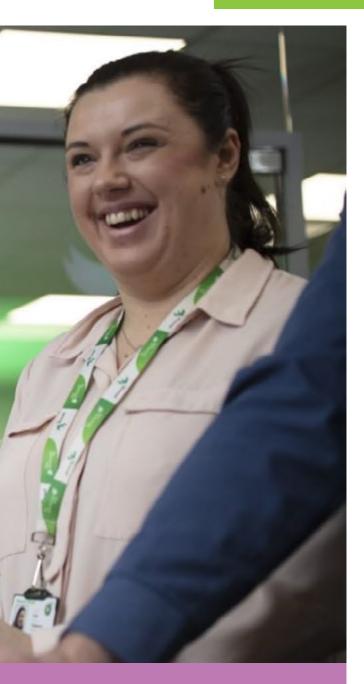






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#### "Delivery is more collaborative and teams are working together more"

Site General Manager

#### Delivering action on our material values

- Responsible / sustainable sourcing
- Food safety
- Food loss and waste

## Sourcing with

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- **34** Taking action on climate

Knowing more about where our ingredients come from and how they are produced will enable us to address some of the biggest environmental and social issues our planet faces such as climate change, deforestation and human rights. By promoting responsible procurement practices with our suppliers, we can work with them to become more ethical and climate smart in how we do business as we look to build a more fair and transparent system.





## What we pledge to do

- We will source sustainable ingredients with transparency by holding ourselves and our suppliers to the same high standards of integrity
- We will respect human rights by standing for fair treatment of workers and zero tolerance of abuses and violations, both within our business and supply chains
- We will take action on climate by reducing the carbon impacts of our products and supply chains

#### How we will get there

By 2030, we aim to source 100% of our priority raw materials in a sustainable way. We will work towards zero deforestation in our supply chains by 2025. We will set an externally verified carbon reduction Science Based Target ('SBT'), which includes our indirect Scope 3 carbon emissions, by 2021. By 2030 we aim to have achieved our SBT and reduced Scope 3 emissions from our supply chains. We will strengthen our work to identify and resolve human rights issues in our supply chain by improving our risk assessment and remedial actions with key partners.

#### What we have done

To date 98% of our direct and key indirect suppliers are connected to us on the Sedex collaborative platform for sharing responsible sourcing data on supply chains, enabling us to drive ethical standards within our supply chain. To integrate human rights into our decision-making process, we have set up a dedicated human rights team and are risk assessing our supply base. We have committed to sourcing 100% Roundtable on Sustainable Palm Oil ('RSPO') certified food ingredients and are making excellent progress towards this goal.





Appendix

#### What's next

We are developing a new Responsible Sourcing Code of Conduct for our suppliers and updating our Human Rights Policy. A detailed risk analysis will be undertaken for our most important ingredients, so we can target key supply chain risks and develop action plans in partnership with our suppliers. We are focusing on 10 priority ingredients that carry the greatest sourcing risks from three areas - forest, fisheries, and field. We will build on our Carbon Disclosure Project ('CDP') disclosure efforts and begin the assessment process to calculate our Scope 3 supply chain emissions to support our science based target setting work.

## Our customers are asking us what's coming next in the world of hydroponics"

Our produce experts, Dan Bates and Simon Coupe, help to ensure our supply chains remain transparent and sustainable. They are currently working with one of our suppliers to source hydroponically grown lettuce for our sandwiches and wraps. We caught up with them both to find out more

#### Why use hydroponics to grow lettuce?

It results in a cleaner overall crop from a pest and disease perspective, with a significant reduction in the number of insects we find. This means we don't have to use pesticides as frequently as they would be used in outdoor production methods. This production method saves on water too, as with hydroponics we can reuse water through the process rather than waste it. We can also ensure good availability of the crop all year round whilst also maintaining a consistent quality. We also have seen a benefit from a microbial loading perspective that has a significant benefit to the safety of our finished products. In short, hydroponics has taken risk out of our supply chain.

#### What difference has it made to people?

Sourcing crops hydroponically means we can improve the productivity and efficiency inside our facilities, which has a positive impact on our workforce. We don't reject or throw away as much product because more of the leaf is useable. Our customer complaints have reduced and we are now being asked by our customers, what is coming next in the world of hydroponics!

We are working on other hydroponic projects which may result in a larger scope of opportunity. Lettuce leaf is typically only used in sandwiches, wraps and salad bowls, but the plan is to scale up this work and have hydroponic options for other crops like spinach and rocket that can be used more widely across our business units.





#### Did you encounter any challenges along the way?

Currently there aren't enough growers engaging in hydroponics to learn from, so it is very much trial and error. Projects like these require a significant financial input at the start, creating a difficult starting position. We apply good practice from our experience and knowledge of outdoor growing techniques and then tweak the process to create the best variety or 'recipe' we can, whilst transferring knowledge gained from other hydroponic projects to assist in the development.

#### How does this work support your broader sustainability goals?

The produce category faces many challenges, whether it is ensuring we have sufficient labour pools in our fields for planting and harvesting crops, or navigating the potential impacts of Brexit. Hydroponic facilities can help address these issues and improve food security for us. The technology used not only saves on water, but also reduces carbon emissions and energy usage. Other benefits such as improved flora and fauna result in a more positive environmental impact.

#### What's next for your team?

#### **Sourcing with Integrity**

## Transparency

#### Vision and goals

How we source has a direct economic and reputational impact on our business. Each year we procure goods and services from over 2,500 suppliers. Increasing demands on the food system poses various risks to our supply chains, which in turn may impact our cost base as well as our ability to access key commodities.

If we want to source every ingredient from a sustainable and fair supply chain, we need greater visibility across our supply base. This visibility will enable us to better respond to changing consumer requirements, particularly for healthier diets and greater food integrity.

Biodiversity represents an area of significant risk and we plan to undertake detailed mapping across our high risk forest commodities, including palm oil and soy. By 2025, we aim to source all soy, both used as a direct ingredient and as animal feed in our global supply chain, from areas which are verified as zero deforestation



#### **Progress so far**

Responsible sourcing is incorporated into our wider policies for sustainable sourcing and human rights. Responsibility for the monitoring and implementation of these policies is managed through our sustainability governance structure, specifically through the Responsible Sourcing Committee, chaired by our Group Purchasing Director.

It is not possible to have a 'one-size fits all' approach to raw materials. We have differing levels of control and influence on our supply chains, depending on whether it is a primary raw material or a traded commodity. Our approach to each is informed by the results of individual raw materials risk assessments.

Our work on risk assessments relating to sustainable sourcing is still in development. We are focusing on 10 priority ingredients that carry the greatest sourcing risks from three areas: forest (palm oil, soya); fisheries (prawns, tuna); and field (fresh produce, frozen produce, processed tomatoes, chicken, rice, and herbs & spices).

We believe that certification remains the best route for us to work with our supply base to ensure the highest sourcing standards. We are members of the RSPO and report annually on our progress. The vast majority (99%+) of palm oil in our food products is from RSPO segregated or mass balance supply; 81% segregated, 19% mass balance, with less than 1% from credits. We are increasingly moving towards segregated supply only and are committed to use only RSPO certified food ingredients from a segregated supply chain model during FY21.

We continue to build on our efforts to promote responsible fishing. All of the cold water prawns we source are Marine Stewardship Council ('MSC') certified, and our farmed warm water prawns are third party certified (Best Aquaculture Practices 'BAP' 4\*). In FY20, 96% of our tuna was either sourced from pole and line fishing, MSC certified fisheries or from those with a Fishery Improvement Project ('FIP') in place.

Environmental transparency is important to us so we report on progress annually through CDP surveys relating to climate change and forests. This year we have reported on water security for the first time. Our CDP ranking for 2020 has not been published as yet.

#### **Future ambition**

To complement our new supplier Responsible Sourcing Code of Conduct we will undertake a detailed analysis of our supply base to deepen our understanding of the environmental and social risks our ingredients pose. We will look to address these risks by developing joint action plans with our suppliers and customers. We will also ensure that we screen 100% of our ingredient suppliers for environmental sustainability risk.





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We will continue to increase our levels of sourcing to certified sustainability standards; we will report our fish sourcing using the Ocean Disclosure Project ('ODP') reporting framework, to disclose future sourcing data on wild-caught and farmed seafood. Where feasible, we will look to shorten our supply chains to aid our transparency drive. This includes reviewing and exploring opportunities to procure more domestic ingredients and sub-ingredients.



More information on our GRI disclosures for Transparent Sourcing can be found here

#### **Sourcing with Integrity**

## Respecting human rights

#### Vision and goals

Whilst human rights abuse has no place in any business, this is an area of growing concern — not just in our global supply chains, but within UK food manufacturing operations. We are deeply committed to respecting and safeguarding the people who work for us, with us, or who are affected by our activities.

We have identified the prevention of child, forced and compulsory labour as a key component of our overall human rights approach and have developed Key Performance Indicators ('KPIs') in this regard.

We take a zero-tolerance approach towards child, forced and compulsory labour and work closely with suppliers to manage these risks. Our Human Rights Policy will require all our operations to be subject to human rights reviews or impact assessments every two years; one site has fallen outside of this requirement this year due to the impact of site restrictions imposed due to COVID-19. None of our operations are considered to carry significant risk for incidents of child labour, young workers exposed to hazardous work, or forced labour.

Child, forced and compulsory labour remains a serious concern in many of the countries where our ingredients originate. Such cases are often hidden due to the complexity of global supply chains. While we have not been made aware of specific cases to address, this does not mean that the problem does not exist.

By 2025, we will ensure 100% of our suppliers meet our new Responsible Sourcing Code of Conduct, which is under development. We will draw up a 'risk register' for our global supply chains and sourcing operations, and work with our suppliers to tackle identified risks.



#### Progress so far

Child, forced and compulsory labour are incorporated into our <u>Code of</u> <u>Ethics and Business Conduct Policy</u>. Our human rights work is overseen by our Ethical Committee, working with colleagues in our human resources and technical departments who have specific expertise and remit in this field. Our Head of Human Rights has overall responsibility for this area, supported by our Head of Sustainability, Human Rights Manager and Sustainable Sourcing Advisor.

To further integrate human rights into our decision-making, we have set up a dedicated human rights team and invested in staff training. We take sole responsibility for any human rights incidents that may occur at our sites, and have some capacity to influence suppliers through our procurement processes.

We have established two programmes to manage our human rights work, our Site Ethical Compliance Programme and Value Chain Human Rights Risk Assessment and Engagement Programme. Both incorporate clear procedures to identify any issues that may arise.

We have committed to the Ethical Trading Initiative ('ETI') base code to help further guide our approach to human rights. These ETI principles help inform our internal and external audits, inspections and remedial action plans. We expect our suppliers to conform to a number of obligations relating to the prevention of slavery and human trafficking. Our standard terms and conditions also include provisions on anti-bribery and corruption, as well as explicit provisions in relation to the mandatory adherence to Greencore policies on anti-slavery. Every supplier is expected to comply with local employment laws and our Group Modern Slavery and Human Trafficking Transparency Statement.

Our Technical team is responsible for managing our approved supplier list which covers ingredients, packaging and non-resale products. All suppliers are subject to a rigorous risk assessed approval process before they can be added to this list, and must also register with Sedex.

We undertake independent third party ethical audits and have developed a programme of ethical support visits for each of our sites to provide additional guidance to site teams beyond audit. No critical issues have been reported this year. In addition, in FY20 98% of our direct ingredient and packaging suppliers were connected to us via Sedex, compared to 95% in FY19 and 95% in FY18.

We undertake ethical assessments of our raw materials to identify areas within our supply chains that are most at risk of modern slavery and human rights abuses. We use a detailed risk assessment model to analyse human rights risks relating to the ingredients we source. Data is used as part of our supplier engagement work to ensure we focus on high risk areas. We have a grievance reporting processes in place for all our human rights issues.







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### .00%

of our manufacturing operations have been subject to an independent ethical audit

#### **Future ambition**

It remains challenging to pinpoint significant risk areas for incidents of child labour in our global supply chains, particularly in Africa, Asia and South America where primary agricultural and basic food processing operations occur.

We will continue to improve the level of data gathering within our risk assessment systems to map these risks, by country and by activity. This will help us determine where best to focus our resources. We expect to report more comprehensively on this approach in future report updates.



More information on our GRI disclosures for Human Rights can be found <u>here</u>

every da heroes

## "We have to be brave around transparency and be prepared to stand up"

Our Head of Human Rights, Mel Miles, reflects on the growing importance of human rights within a business context, and the valuable lessons others can learn from food companies like ours

#### How is the human rights agenda evolving?

This is an area I have been working in professionally for about 20 years now. Human rights practices have become an increasingly important part of the way businesses talk to the outside world, and the way we explain ourselves to stakeholders. It has gone beyond internal compliance and now extends into whole supply chains.

#### Can you talk more about that?

We need transparency within our supply chains to ensure that our supply chains are built around the very best suppliers and that we support those suppliers to build great systems, look after their workers, and then demonstrate that to our stakeholders. We source from a huge number of countries around the world and some of them have problems within their societies that we are not insulated from. We need to make sure that we take the appropriate steps to minimise our exposure and to improve the lives of people, where we can.

#### Do you take a carrot or stick approach with suppliers?

We are always interested in supporting suppliers and their workers, rather than acting as a barrier to entry. I am delighted to see that many organisations are now understanding the fundamental importance of protecting human rights and are allocating resources accordingly; we know that many businesses are not as aware as us in terms of the actions they could be taking, so a lot of our engagement is about building the strength and depth of understanding across our supply base.

#### How receptive are your colleagues to these issues?

We have a really positive, can-do culture. It's not that we are perfect, but we do work together really well to problem solve. We have great leadership from the top and this is a topic that is taken seriously. The necessity to protect human rights is not always well received and it can be very challenging for companies in other sectors to understand the complexities involved.

#### And what about the wider food sector?

The food industry, for historical reasons, has been one of the earliest and most profound adopters of human rights professionalism. We are far ahead of many other sectors because we have been subject to a level of scrutiny and legislation that others have not had. That means that as an industry we have built many years of good practice.

#### How can your sector share those learnings?

It's important that we reach out and participate in a range of crossindustrial platforms. Just-in-time food supply chains are really important technically and logistically, but some other sectors don't always have the same visibility or experience.

#### What does the future hold for this agenda?

Transparency is going to become very important to us. All of our stakeholders will expect to be able to know exactly what is happening in our supply chains, and what is going on in our business. From a human rights perspective this is a blessing because it will help to drive standards. But it's also a challenge because essentially there is no such thing as a perfect business.

#### What's your one call to action?

We have to be brave around transparency and be prepared to stand up and say these are the areas we want to improve, and not present a misleading picture or pretend that everything is perfect. For us it is about finding the right language to show the great things we are doing while clearly identifying the areas we want to be better at.



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Our supply chains collectively account for more than 70% of our total environmental footprint, based on typical industry estimates, so reducing these indirect impacts is a key priority. Our science based carbon reduction target will cover our direct Scope 1 and 2 emissions, and also our indirect Scope 3 emissions. We have started to measure our Scope 3 emissions in our value chain, in preparation for our new Science Based Target.

Science Based Targets are based on the latest independent climate science data and will enable us to assess and report on how we are performing on our greenhouse gas emissions reduction work in a way that benefits society as a whole. This will help us futureproof our supply chains and operations, and achieve business growth, while remaining within the necessary limits for global warming. Going forward, we plan to utilise our Science Based Target more widely within the business, to help inspire our people and to drive innovation as we look to deliver lower carbon products and services. Ultimately, we believe setting aScience Based Target will make us more competitive in the markets in which we operate and more agile in how we respond to future opportunities and challenges.

Our Scope 3 emissions work is still in its infancy, but our Scope 1 and 2 emissions work is covered in more detail in the 'Making with Care' section of this report. More information on Science Based Targets can be found at the <u>Science Based Targets initiative</u>.





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#### **Climate risk**

In addition to mitigating our impact on the climate, we must also consider the risk of climate impact upon our business. The Task Force on Climate-related Financial Disclosures ('TCFD') provides recommendations on the disclosure of climate-related risks and opportunities.

Our work on climate-related risk in our supply chain has begun and we will build scenario analysis into our impact assessments and report more fully on climate-related risk in future reports, including potential manufacturing impacts (for example, electricity, fuel and distribution price rises) and raw material impacts (for example, raw material price rises and limits to supply as a result of drought).

# Making with

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- **43 Q&A** with our Packaging Developer James Howell
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- **45** Reducing our packaging impact

How we manufacture, package and distribute our food is critical to help deliver a more productive and fair food system. We need to get smarter in how we use and conserve resources across our business to ensure that nothing goes to waste, in a way that creates least harm to the environment.



## What we pledge to do

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- We will use less to make more by becoming more resource-efficient and operating a net zero business
- We will cut out food waste within our operations and work with others to minimise waste both upstream and downstream in our supply chains
- Our packaging will have the lowest planetary impact by making it easier to recycle and eliminating single use plastic







#### How we will get there

We are committed to operating a net zero business by 2040. By 2030, we will have achieved our Science Based Target ('SBT'), reducing our Scope 1 and 2 carbon emissions. We will target energy and water use reductions, and waste elimination in order to drive greater efficiencies across our manufacturing sites. We have launched a Group-wide project to drive down food waste, which we aim to halve by 2030. By 2025, we will ensure that all of our packaging is recyclable, reusable or compostable and we will aim to eliminate single use plastics across our business.

#### What we have done

We have commenced the process of setting an externally verified SBT for our Scope 1 and 2 carbon emissions (within our own operations). All of our UK grid electricity now comes from renewable sources. We have reduced operational food waste by 20% in absolute terms from our FY17 base year from 42,180 to 33,636 tonnes and developed a policy to record and redistribute surplus product. We have worked with our packaging suppliers to improve the sustainability credentials of our products. This includes replacing our black plastic ready meal and sushi trays with recyclable foil and clear plastic, and we are developing compostable sandwich packs.





Appendix



#### What's next

Each of our sites will develop a net zero roadmap, aligned with our SBT. We will develop a food loss and waste programme to drive action on our food waste targets, with a particular focus on minimising or repurposing food waste streams that are high in tonnage and/or value. We will implement a science based approach to our lifecycle assessment work on packaging to ensure our packaging has the lowest possible environmental impact. We are working on the launch of a sustainable sandwich skillet in 2021 that will be fully recyclable, a first for our sector.

## Here project Leading on food waste innovation

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We worked with one of our suppliers to cultivate a new variety of cocktail tomato that has reduced tomato juice waste by 500 kg per day, reducing the burden on our drains and clean-up plant used to treat effluent.

The tomato has been bred specifically to feature an altered internal structure, which results in better retention when sliced. Traditional cocktail tomatoes lose a lot of juice when cut due to their ripeness — this juice can also result in soggy sandwiches if not correctly managed.

We undertook growing and factory trials of the new high dry matter cocktail tomato over a three-year period to ascertain yield, flavour and size parameters and to ensure it would meet customer specification before launching it in 2016 under an exclusive agreement with our supplier.

Before switching to this variety, we averaged five customer complaints a year with regard to tomato softness and quality. The high dry matter cocktail tomato has improved the finished quality of the sandwiches with no complaints since its launch.

We have scaled up volumes, from four to 15 tonnes per week. Losses of tomato juice, seeds and content have been reduced by 500 kg per day and we no longer need to drain the tomatoes for as long, resulting in a fresher finished product.

We are now working with the supplier to increase crop yield and to further refine the flavour and make sure that the variety can be grown in the UK and the Netherlands as well as southern European sources such as Spain, to provide sustainable supply all year round.

## "The success of this project comes from our drive to continually identify opportunities and customer innovation"

Delivering action on our goals





#### Delivering action on our material values

Responsible / sustainable sourcing
Climate change
Food loss and waste





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Feeding with Pride

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### **Making with Care**

# Using less to make more



### Vision and goals

Reducing greenhouse gas ('GHG') emissions through intelligent energy use will help us transition towards a net zero future in line with the goals of the 2015 Paris Agreement. We can reduce our Scope 1 and 2 emissions by becoming more energy efficient and increasing our uptake of renewables.

Our Scope 1 (direct) emissions come from the energy needed to power our manufacturing and distribution operations, and our fleet of company cars. We have reduced Scope 2 (indirect) emissions associated with our electricity consumption by moving to a certified renewable tariff contract. For unavoidable energy-related emissions, we are focused on lessening the negative impacts of these emissions.

#### **Progress so far**

Emissions, energy and water are incorporated into our wider Operational Environmental Policy, which is aligned with the ISO 14001 Environmental Management Standard. Responsibility for the monitoring and implementation of this policy is managed through our sustainability governance structure, specifically the Environment and Food Waste Committee.

We undertake regular audits to identify energy saving opportunities and we have developed an internal tool, a Utilities Best Practice Guide, with an external energy efficiency expert (and Energy Savings Opportunity Scheme ('ESOS') lead assessor). This tool guides and informs our manufacturing sites on the best energy efficiency technologies to adopt and how to optimise the energy efficiency of existing equipment.

Since September 2020, we have incorporated all energy audit actions, along with energy efficiency performance data, into a monthly reporting process for review by our central management teams. We continue to evaluate our approach and performance in these areas.

During FY20 we produced 85,057 metric tonnes of CO2 equivalent Scope 1 and 2 emissions. These emissions were associated with fossil fuel consumption within our business and fugitive emissions from refrigeration systems. Our overall energy use during FY20 was 391,149 MWh which represents a 2% decrease from the previous year. Our relative primary energy use in kWhp per tonne of product actually increased in FY20 by 2%, even though our absolute energy consumption reduced, as a direct impact of lower production figures caused by COVID-19.

#### Total Gross GHG Emissions Scope 1 & 2 (tCO2e)

FY20	85,057 tonnes
FY19	89.670 tonnes
FY18	98,725 tonnes

Water management standards are built into our Safety, Health and Environmental Management System, supported by annual water intensity targets at each of our sites. Our heating, cooling and hygiene operations consume the most water and generate significant quantities of effluent. We have standards and controls in place to manage any potential pollutants from this effluent. We annually assess and map water-related risks at our manufacturing sites, taking action to address any issues.

Our manufacturing operations consume more than two million cubic metres of water each year. Some of our sites operate in regions at risk from water scarcity and we are working to mitigate those risks. The majority of our water footprint, however, arises from agricultural activities in our supply chains. We are developing a specific programme to address these external water issues, which will enable us to have a greater impact in this area.

We do not currently have a specific stakeholder grievance reporting process in place to address any negative impacts of direct energy, emissions or water use on our stakeholders, however we will keep this under review. Feeding with Pride

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#### **Future ambition**

To drive progress towards our SBT and net zero ambitions, we will develop a net zero roadmap for each of our sites. All of our manufacturing sites have energy efficiency targets, which align to the UK Climate Change Agreements, and are being driven by ESOS energy audit standards.

Given that many of our energy efficiency initiatives have a payback period of less than two years, all sites now have to incorporate payback opportunities with a similar timeframe into their energy efficiency related capital investment plans.

We have started to assess our supply chains to understand their exposure to water risk. We will develop a plan to work with key suppliers to help support their water efficiency and conservation activities. This plan will be tailored to take account of specific water management needs at different locations.



More information on our GRI disclosures for Emissions Reduction can be found <u>here</u> and Water Efficiency can be found <u>here</u>



Greencore operates 90 trucks and 450 vans from 18 distribution centres and transport hubs, covering more than 16.7 million miles every year. Cutting fleet carbon emissions is a key priority for us we need to not only reduce the number of road miles travelled, but ensure any necessary journeys we make are as green as possible.

To do this, we ensure all of our lorries and vans are fully loaded to save on fuel and time. We also use logistics data to track and optimise our fleet routes. In FY20 we introduced 132 new vans with a 10% increased payload, lowering the number of vehicles required on the road and saving fuel. Our distribution centres are strategically located so we can transport more efficiently between our factories and customers.

As we look to transition away from diesel, we are exploring alternative fuel options. We've already introduced our first all-electric operated van refrigeration unit and commissioned two more to be built for further trials. We also provide eco-driving training to all of our fleet drivers, enabling them to adjust how they drive in order to increase fuel efficiency while reducing fleet emissions.

"We make sure every lorry is fully loaded, and we optimise all of our journeys to ensure the most efficient routes are taken"

Delivering action on our goals







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Delivering action on our material values • Responsible / sustainable sourcing Climate change • Food loss and waste

#### **Making with Care**

# Cutting out waste

### Vision and goals

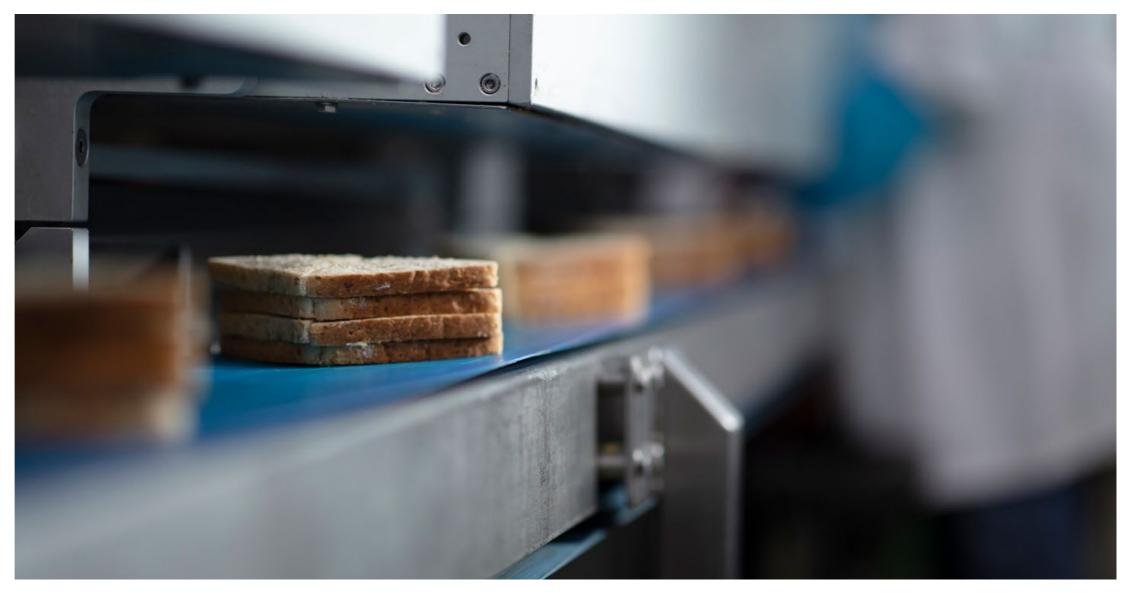
Food waste is a global problem and highly material to our business. By reducing food waste, we can help improve food security and mitigate the effects of climate change, while driving efficiency benefits for the business.

We are addressing food loss and waste across our entire value chain and strive to eliminate all types of waste at source. We redistribute surplus edible food products to feed people, where it is feasible to do so, and we segregate different waste streams across our sites to facilitate reuse and recycling, and avoid the use of landfill.

We measure our food waste against our production volumes on a monthly basis. This data is used by the Group Sustainability Team to evaluate performance and review progress against our target to halve food waste by 2030. We publish an annual food waste report (as part of <u>WRAP's food</u> waste reduction roadmap).

As a UN SDG Friends of Champions 12.3 signatory, we have committed to a 50% absolute reduction in food waste by 2030, compared to a 2017 baseline year (42,180 tonnes). We have developed a policy for how we record and redistribute surplus product.

We have a duty to work with our suppliers and customers to reduce waste further, across our value chain. The further upstream or downstream these waste streams are produced, the less control we have over them, but where we can use our influence and expertise to help mitigate these impacts, we remain committed to so doing. This includes using more sustainable materials and ingredients, and minimising post-consumer packaging.



#### Progress so far

Food loss and waste are incorporated into our wider Operational Environmental Policy, which is aligned with the ISO 14001 Environmental Management Standard. Responsibility for the monitoring and implementation of this policy is managed through our sustainability governance structure, specifically the Environment and Food Waste Committee.

Operational food loss and waste is managed by our central waste team and Group Waste Manager, which covers data gathering, reporting, service and compliance issues. This team also provides site support to aid waste minimisation and proper handling, compliance training and adoption of new technologies.

We run food waste reduction projects across all of our manufacturing sites. These are aligned with the 'Target, Measure, Act' food waste reduction roadmap, developed by WRAP and IGD. Our food waste reduction programme applies to all our direct operations and activities, but not to our suppliers or customers.

Our overall food waste figure is reducing year on year and we are making good progress towards our target of a 50% reduction in food waste, from a 2017 baseline. To date, we have delivered a reduction in absolute terms of 20% and in relative terms as percentage of total food handled of 11%. In FY20, our food waste as a percentage of total food handled was 8.44%, a reduction from the previous years of 8.54% in FY19 and 9.38% in FY18.

Food waste as a percentage of food handled

FY20	8.44%	
FY19	8.54%	
FY18		9.38%

The food waste reporting methodology was altered this year by WRAP from 'food waste as a percentage of production' to 'food waste as a percentage of food handled'. Following the latest guidance, we have calculated 'food waste as a percentage of food handled' using a ratio of food waste by production + animal feed + surplus redistribution + food waste.

We use a stakeholder grievance reporting process to identify any negative impacts of uncontrolled waste streams on our local communities and ecosystems; any incidents or complaints are investigated and appropriate mitigation measures taken.

All waste tonnages are recorded at Group level and shared with our customers. This process enables both parties to check progress and conformance against specified contractual targets, and means we can take rapid action to address any issues that may arise. Any remediation measures taken are reported on a monthly basis.





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#### **Future ambition**

To meet our UN SDG Friends of Champions 12.3 target, we are carrying out a strategic review to work out how best to target food waste that is high in tonnage and/or value so it can be minimised or repurposed.

To reduce waste further across our value chain, we need to work more closely with our suppliers and customers to understand where hotspots are occurring. We are undertaking a scoping exercise to assess the potential to map this food waste, and plan to report on our progress and findings in 2021.



More information on our GRI disclosures for Food Loss and Waste can be found <u>here</u>

# Hero project Leading on ingredients innovation



Sourcing fresh avocado for our sandwiches all year round presents challenges due to the number of countries we imported the fruit from, which leads to seasonal fluctuations in crop quality.

Depending on the time of year, the fruit may ripen too fast or too slow, resulting in various quality issues such as discolouration or hardness. This can lead to increased rejection rates or wastage at our production sites.

Our solution was to work with a South African supplier, to provide us with a pulped and diced premium frozen product that can be shipped to the UK and stored under controlled temperatures until we need it.

We began by sharing with our supplier the methods we use to prepare avocado slices and preserve them against discoloration so they could apply this in their own facility. They then used quick-frozen technology to maximise the shelf life of product, up to 18 months

Following a successful trial with the supplier we began using the avocado in a customer's range.

We saw a 50% drop in customer complaints and an 80% drop in avocado site non-conformances as a result of this. However, we are still learning and perfecting the process to improve quality as avocados are very temperamental and therefore quality fluctuates.

We have zero waste as a result of not having to prepare the fruit in-house. Previously we were processing 600 tonnes of avocado each year. We were then throwing half of this away in the form of peel and stone and either soft or hard flesh. The 300 tonnes of waste had to be segregated and was a challenge to manage before being supplied as animal feed and/or anaerobic digestion feed.

#### Delivering action on our goals



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### "Taking learnings from the first trial of supply to following that up this year is a great achievement which all parties should be proud of"

### Delivering action on our material values

- Responsible / sustainable sourcing
- Climate change
- Food loss and waste



# Serving a more sustainable ready meal

Last year we targeted the removal of all unnecessary plastic from a key customer ready meal range as part of our aim to make the packaging as recyclable as possible.

We switched our Italian meal range trays to a more sustainable product made from 100% recycled content, which can be fully recycled into new food grade trays. This resulted in the removal of around 17.8 tonnes of plastic. We also replaced all the remaining ready meal black plastic trays with the new trays, resulting in the removal of a further 13.3 tonnes of unrecyclable plastic.

Switching over to trays containing 100% recycled material has not only enhanced consumer perception of product sustainability, but released value which we have invested into our on-pack messaging to improve how we communicate. As the tray was a relatively new packaging material, our innovation team worked closely with our supplier to ensure it met our quality and performance standards.

We continue to work with our customer to explore more sustainable options for other ready meal packaging materials including lidding films. Delivering action on our goals







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#### Delivering action on our material values

- Sustainable packaging
- Climate change

**17** PARTNERSHIPS FOR THE GOALS

8

every day heroes

"As a Packaging Developer, I have felt a conscious responsibility to ensure we are doing the right thing in every avenue we explore"

> James Howell is one of our Packaging Developers who helps to deliver sustainable packaging solutions for our customers. He highlights one particularly rewarding project that his team are involved in

We are working on an improved sandwich pack that is easier to recycle. Currently only the cardboard for the packs can be recycled, with the waste plastic separated out then sent off for energy recovery. Our aim is to further enhance the sustainability credentials of this format where the entire pack is recyclable, meaning we are aligning with our aim to be truly sustainable in all things we do. This project is currently challenging everything we know about the packaging materials and processes involved, for one of the most purchased products in the food to go market.

Developing new and innovative packaging always comes with challenges. Today we also have the additional goal of providing recyclable packaging that does not impact on food waste. In the world today, we waste a third of all food produced, therefore packaging needs to protect and extend shelf life, not hinder it. The complexity in finding a solution in the fast-moving environment of food to go is a challenging one, but as a team we are making leading strides to packaging design that has longevity, not just a short term fix. As a Packaging Developer, I have felt a conscious responsibility to ensure we are doing the right thing in every avenue we explore.

lines.

We will be looking to roll out our learnings from this project into all other packaging we produce for food to go. A key focus will be to reduce the plastic content and maximise recyclability to ensure zero waste with no impact on product shelf life.



#### Feeding with Pride

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#### How did you come up with a solution?

Our supplier relationships have allowed us to work collaboratively on the latest packaging innovations before they hit the market. Working in partnership with our suppliers has enabled us to make excellent progress on a project despite disruption caused by the pandemic. We have worked extensively with our wider network of colleagues within Greencore to get the information and advice we needed, whilst maintaining two-way communication with the customer throughout.

It showcases our willingness to deliver completely new solutions outside of our comfort zone. As a team, we are always hungry for the next innovation that will set us apart from our competitors. We also now have an extremely detailed understanding of new and different materials which I am confident can be translated into other food to go packaging

#### What's next for your team?

#### What do you love most about your job?

With sustainability, it is not simply a case of finding a solution and standing still. Ten years from now, packaging will be under just as much pressure as it is today. It's an ever-changing landscape, which makes it a fantastic line of work.

# every day heroes

"Throwing away one sandwich is throwing away a meal"

## Krissy Polo-Tolley is Sustainability Advisor (Waste and Food Surplus) for Greencore and oversees our food redistribution activities. She talks about why this work is so important to her, both on a professional and personal level

#### What attracted you to this role?

When I started working at Greencore, I saw there was a goal to halve food waste by 2030 and I thought, 'I want to be involved in that'. When I was studying for my master's degree in sustainability, I got involved in a project to try and understand why people throw away food. I was so interested in the behaviour behind this

#### What did you learn?

We came to find that it's mostly younger people who throw away food. Older people who have lived through different experiences, for example, war – are far more aware of not wasting food, whereas younger people don't always know what to do with leftover food if they have cooked too much.

#### How are you applying this knowledge at Greencore?

Most of our food donations come from our manufacturing facilities and distribution centres, but we realised that we could do more by including our distribution depots and warehouses too. We discovered they have surplus product, like sandwiches, which was assumed to be food waste. But with a few days left before the expiry date on it, it's not food waste, it's food surplus. It is really important that our people understand that so we help them identify what surplus food is, how it can be redistributed, and how to connect with potential charitable redistribution partners to ensure the surplus goes to feed people in need.

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#### What are the business benefits of doing this?

The main benefit is an ethical one – we are helping to feed people in need. By doing this, we are also not having to pay to dispose of this food. Our ultimate aim is to ensure that any food fit for human consumption helps feed people in need, rather than go to waste.

#### You seem personally very invested in this project. Why is that?

I'm from Peru in South America and we have a culture of not wasting anything. I have travelled to the most deprived areas of my own country and I've seen hunger. But I've also seen it here too, despite the UK being the sixth richest country in the world. It's different to the poverty in Peru, but it's there.

#### What's your take away message for others?

Try to understand that there are people in need. Throwing away a sandwich is throwing away a meal. So please think twice about what you consider as food waste. Within Greencore there is something we can do at work, but also in our homes, to spread this message. Think about the effort that has been put into making the food you eat and bringing it to your table. If you've bought too much, take it to your local food bank. If you've made too much, freeze it for next week. Most of us have never experienced hunger, but there will be someone out there who is experiencing it and would be thankful.

Making with Care

# Reducing our packaging impact

### Vision and goals

Packaging is necessary to keep our products safe and fresher for longer. By helping our consumers dispose of it correctly, we can ensure the materials we use can be recycled and used again in the supply chain.

We strive to make our packaging more circular and climate smart. That means finding alternatives to fossil fuel based materials like plastics, but also ensuring that any alternative materials we source, such as wood, paper or board are deforestation-free.

Our policy is to only use plastic when necessary and where the benefits of doing so outweigh the risks of not doing so. By 2025, our goal is to ensure all our plastic packaging can be easily recycled or reused while also eliminating single use plastics.

#### **Progress so far**

We have developed a new Group-level Sustainable Packaging Policy that references the UK Plastics Pact, which we support and align to the principles of through our membership with the Chilled Food Association.

Implementation of our packaging policy is managed through our sustainability governance structure, specifically the Sustainable Packaging Committee. The Committee is in the process of developing structures to manage packaging data and key performance indicators for ongoing performance evaluation.

As an own label supplier, we engage intensively with customers on how to most effectively develop guidelines and policies on the packaging decisions we take. We recognise that we need to develop mechanisms to evaluate our approach to sustainable packaging, and set baselines to monitor future progress and performance against set targets accordingly. We currently measure our packaging volumes in calendar years rather than financial years to align to the Packaging Waste Regulations reporting mechanism; in 2019 (the last full reporting year declared) our plastic usage was 11,511 tonnes, a decrease from the previous year of 12,359 tonnes.

We continue to work with our suppliers to reduce our plastic use where possible. Examples of initiatives we have undertaken over the past 12 months include targeting windows on quiche boxes, switching from black plastic to foil ready meal trays, and minimising the gauges on our films for wrapping sandwiches, wraps and sub rolls.

We meet our obligated recycling and recovery responsibilities by registering and reporting through the Packaging Recovery Note ('PRN') system. We track our fossil fuel and deforestation impacts through our packaging waste data reporting which identifies the amount of plastic, wood, paper and board used in a calendar year.

Any grievances related to consumer packaging are raised through our customer complaints reporting process.





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#### **Future ambition**

To improve our access to live data on all material types, we are installing a new packaging Specsafe system. The system will enable us to have live data on material types, recyclability and recycled content, for all the packaging we buy to use in the manufacturing of our products. By integrating the reporting of this data into the company procurement systems, we will greatly increase our visibility of the data we need to drive improvement.

As part of our drive to ensure our packaging has the lowest planetary impact, we plan to prioritise paper-based packaging materials where it makes environmental and economic sense to do so, sourcing them from sustainably managed forests, using internationally recognised certification systems like Forest Stewardship Council ('FSC').

As part of our ongoing work with customers to address hard to recycle food to go packaging, we are developing a fully recyclable sandwich skillet, which we plan to launch in 2021.

We continue to work with our suppliers and customers to develop more sustainable packaging solutions for our products. We are actively looking for innovative solutions that offer improved recyclability and/or enhanced shelf life.



More information on our GRI disclosures for our approach to Packaging can be found <u>here</u>

47 What we pledge to do

48 Producing sustainable, affordable, healthier food

Feeding with

- **49** Hero project Making nutrition more appealing
- **50** Creating a future-fit food system
- **51** Helping our communities thrive
- **51** Hero project From distribution to redistribution

Society needs better solutions that can simultaneously address climate change, food waste and hunger relief while delivering tasty, nutritious and affordable food to all. We want to ensure our products contribute to a better world by making it easier for people to make more informed food choices that benefit them and society as much as the planet.



# What we pledge to do

Greencore Group plc Annual sustainability report

- We will design products with affordability, health and sustainability at front of mind by identifying where the best opportunities are to meet all three requirements while not compromising taste or freshness
- We will help our communities thrive by alleviating food poverty and providing economic opportunity
- We will play our part in creating a future-fit food system by using our platform to rethink how we do business while working with others to tackle shared challenges









### How we will get there

By 2025, we will have increased our positive impact on the communities in which we operate in. That means taking a more coordinated approach to our own community strategy to improve the quality of life for people that live close to our operations. By 2022, we aim to donate 100% of our surplus product to people in need. By 2030, we will have achieved parity on our product development of animal protein versus plant-rich alternatives.

#### What we have done

We have scaled up our surplus product redistribution efforts, working with food redistribution organisations and charities, such as Company Shop, FareShare, The Bread and Butter Thing and The Felix Project, and in FY20 we donated 669 tonnes of surplus, equivalent to more than 1.5 million meals to people in need.

We continue to innovate to find new ways to reduce the fat, salt and sugar content of our products without comprising taste, flavour or quality. For example, in FY20 we removed the equivalent of 131 tonnes of sugar, 21 tonnes of saturated fat, 5 tonnes of salt and 1.5 billion calories from our ambient cooking sauces.





Appendix



### What's next

To help facilitate greater access to fresh and affordable food, we will look for opportunities to bring our products to more relevant and convenient locations in the community. We will also look for new ways to increase the use of ingredients that promote positive nutrition (fibre, protein, fruit and vegetables). To enable more of our people to take action at a local level, we will roll out community engagement plans at every site.

#### **Feeding with Pride**

# **Producing sustainable**, affordable, healthier food

### **Vision and goals**

We have a responsibility to supply affordable products that cater to a range of consumer preferences and diets while adhering to public health, nutritional and industry food standards guidelines. We believe we can go further by ensuring that our products contribute positively to society.

For Greencore, maintaining world-class food safety standards goes hand in hand with technical excellence. That means sourcing the best ingredients and delivering the best nutritional value at competitive price points for our customers and consumers. We aim to refine this work so that by 2030, each of our core product categories will be built around three key values - health, affordability, and sustainability.

People, innovation, allergens and consistency form the basis of our technical excellence work and serve as a foundation for strong food safety. Selling and distributing safe food is of paramount importance to us and this means we need to take into consideration any adverse impacts that may occur from food safety incidents.

All of our manufacturing sites are certified to the British Retail Consortium ('BRC') Global Standard for Food Safety through its unannounced audit programme and 100% of them have achieved an AA+ or A+ rating. Our sites are also subject to internal audits and inspections, and external audits by customers and regulatory authorities.

#### **Progress so far**

Our Health and Nutrition Committee has overall responsibility for meeting our Health and Nutrition Policy commitments and monitoring progress against plans, while our product development teams are responsible for developing products in line with customer guidelines. As the majority of our products are 'own label', our customers heavily influence our approach to product development. As a result, we work intensively with our customers to achieve our combined health and nutrition goals.

However, we are guided by customer requirements in tandem with our sustainability strategy commitment, which is to "design products with affordability, health and sustainability at front of mind". We assess our performance through our sustainability governance structure. Going forward, we plan to develop a centralised Health and Nutrition Policy.

We have a range of policies in place to manage food safety. These include best practice documents and customer policies that we comply with. Our Group Technical Director has overall responsibility for customer health and safety. Reporting to our Group Technical Director are Technical Directors for each of our business units and Technical Controllers for each of our manufacturing sites in addition to our site technical and hygiene teams. Our Head of Technical Services oversees supplier management and performance in relation to food safety.

All of our sites have a Hazard Analysis Critical Control Point ('HACCP') system in place, which forms the basis of all our food safety controls. Our HACCP systems are regularly audited and any incidents reported result in a review process. Both our raw materials and raw material suppliers are subject to specific risk assessed controls and we have a comprehensive audit and testing programme in place for our raw materials, production environments and the finished products.

We have a set of comprehensive KPIs in place for food safety. These are specific to the product and site but include compliance management, microbiological performance and internal audit data. These are reviewed daily, weekly and monthly at site level and results are reported and recorded via our senior technical teams into a Group risk tracker for review by our Group Technical Director.

We believe nutrition has an increasingly important role to play, particularly in the broader sense of influencing better public health outcomes. We continue to work with our customers to increase the nutritional value of food they sell by creating more balanced recipes, offering a greater variety of plant-based alternatives and reducing the amount of salt, unhealthy sugars and fats in our products.

It should be noted that there are limitations to reducing salt, sugar and fat content without having a detrimental effect on ingredient functionality, food safety and overall product quality. Our innovation team works closely with our ingredient specialists to find new ways to balance these trade-offs.



Feeding with Pride

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# Making nutrition more appealing

If we want to improve people's quality of life through food and diet, we cannot simply reduce the fat, salt and sugar content of our products without taking into account other important considerations.

These nutrients have a key role to play in contributing to taste, flavour and texture. Removing them can compromise the essential 'appeal factor' of a product, and existing substitutes have often proved unsatisfactory, both in terms of quality and cost, so we have had to rethink our approach.

Our innovation team found a solution, inspired by emerging chef-led trends and techniques that naturally boost flavour. This offers the opportunity to reduce any unnecessary fat, salt and sugar, resulting in a lower calorific product that still tastes great.

Working with our purchasing and technical functions, the team undertook a supplier review to source and sample more than 50 ingredient replacers for fat, salt and sugar that could be utilised using these new techniques.

Using these replacers, we created more than 300 sauces in our kitchens to determine the best recipes for our applications, enabling us to optimise the nutritional value of our products at an affordable cost. From this work, the team developed a guide to showcase recommended replacers for various nutritional savings, which is now being used by our new product development teams.

Delivering action on our goals







GRI index



#### **Delivering action on our material values**

 Community • Food loss and waste

### Creating a future-fit food system

We aspire to deepen our relevance in society and central to that will be how we advocate and act to bring about change to our food system. We believe our products can enrich the livelihoods of many through the enjoyment of good food, healthy living and being kinder to the planet. However, our products form a component of a much bigger system that can make some of our ambitions challenging to achieve.

We cannot shape the future of our food system alone. We need to work with others to address some of the more systemic challenges we face such as climate change, land degradation, pollution, biodiversity loss, and feeding a growing population. We will raise our voice by taking a leadership stance on these issues in our sector and encouraging others to join us to find solutions.





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# **Helping our** communities thrive

We have committed to investing in a #StartsWithFood initiative to help our communities prosper. We will be focusing our community efforts on food donations, education, charitable giving, career advice and mentoring. Over the next 12 months, we will develop specific #StartsWithFood plans for each of our sites to drive localised action on this agenda.

During FY20 we avoided 669 tonnes of waste by redistributing food for human consumption, equivalent to more than 1.5 million meals. By 2022, we aim to donate 100% of our surplus product to our communities to ensure that no edible food, safe for human consumption, goes to waste.

We are already working with a number of food redistribution organisations in order to ensure any surplus food reaches people in need, such as FareShare, The Felix Project, The Bread and Butter Thing and the Trussell Trust, and will scale up these partnerships in the coming months.





In addition to being a manufacturing business, Greencore also operates a large food distribution network where we receive, pick and distribute hundreds of products daily direct to store.

We inevitably generate some waste as part of our operations, but have put processes in place to track all orders and products and identify potential waste as it occurs so we can redistribute it across our network where possible.

Any 'overs' or short dated stock received from a supplier is quickly identified and the supplier notified and requested to collect the stock. In certain circumstances, we are required to dispose of stock. In other instances, where waste is created as part of the picking and distribution process, authority is gained from the customer to dispose of stock. We work to ensure any food surplus can go to feed people.

As an example, our newest Direct to Store ('DtS') site in Tamworth is responsible for picking and dispatching a large volume of daily orders, but on opening, the site didn't have any charity or community connections in place to redistribute food surplus. So, we acted quickly to establish key relationships to ensure we had a viable outlet for rechannelling food to those in need. We now work with several organisations including FareShare, NHS West Midlands Ambulance Service, The Latif Foundation and SIFA Fireside.

All of our DtS sites work on the same basis, benefiting from the systems we have implemented and the relationships we have cultivated with food charities, to minimise waste and ensure all our leftover food goes to feed those most in need.

Having robust systems in place to handle surplus product has served us particularly well during the COVID-19 pandemic, enabling us to step up efforts to support our communities during this difficult time.

#### Delivering action on our goals



Between April and July 2020, we donated just under 400 tonnes of surplus product (equivalent to 952,000 meals) to charities and frontline services. As part of this, we agreed to donate 64,000 sandwiches (12.8 tonnes) to FareShare under an IGD led initiative to help feed vulnerable people during the COVID-19 outbreak.

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At the height of the outbreak, our people took swift action to divert large volumes of stock that would have otherwise gone to waste. Reduced customer demand led to redundant raw materials and packaging. To avoid waste, a cross functional team was quickly pulled together across our Purchasing, Planning, Technical and Production teams to help safeguard or redeploy stock elsewhere across the business. More than 75% of surplus stock was saved through identifying alternative uses.

On-site trials, supplier workstreams and risk assessments were undertaken on key ingredients with a best before date e.g. cheese and sauces to prolong shelf life, and our internal transport channels were reshaped so stock could be moved quickly. Securing swift buy-in and cooperation from our customers and suppliers was also critical as it meant we could engage in quick decision-making and action to reduce the overall risk. Working closely with a food charity throughout this time allowed us to redistribute edible surplus product, reducing our overall stock exposure further.

"The ongoing donation from Greencore has become a vital part of our operation, without which we would struggle to feed as many people as we currently do"

#### Anton Reilly

Help the Homeless, Glasgow

#### Delivering action on our material values

- Community (localised action)
- Food loss and waste
- Business ethics

# Performance data

# **Performance Data**

#### People at the Core

FY20

**Sourcing with Integrity** 

collaborative platform

Human rights

FY20 FY19

FY18

Supplier social assessment

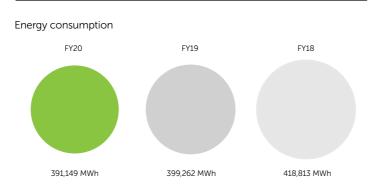
#### Occupational health and safety

Accident Incident Rate, accidents per 100 employee (All accidents including minor)

FY20	0.50
FY19	0.52
FY18	0.51

Making with Care

#### **Climate change**



Accident Frequency Rate, RIDDOR accidents per 100,000 hrs (RIDDOR only)

% direct and key indirect suppliers connected to us on the Sedex

of our manufacturing operations

have been subject to an independent ethical audit

#### Energy intensity (Primary energy per tonne of production)

0.32

95%

95%

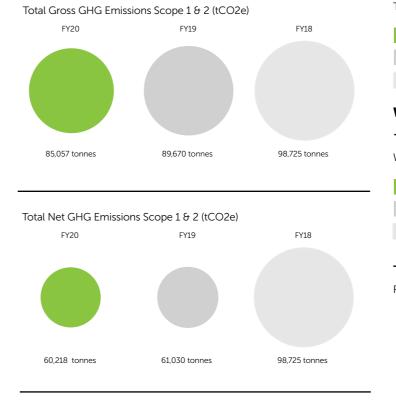
FY20	1,258 kWhp/tonne production
FY19	1,235 kWhp/tonne production
FY18	1,299 kWhp/tonne production

#### Scope 1 GHG Emissions

FY20	60,105 tonnes
FY19	61,000 tonnes
FY18	66,336 tonnes

#### Scope 2 GHG Emissions

FY20	24,952 tonnes	
FY19	28,670 tonnes	
FY18	32,3	889 tonr



GHG Emissions Intensity (KgCO2e/£1 revenue)

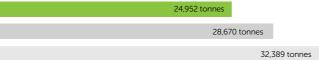
FY20	0.067
FY19	0.062
FY18	0.066
Water stewardship	

Total water consumption from all areas

FY20	2,275,462 m3
FY19	2,255,366 m3
FY18	2,510,631 m3

20 201

20

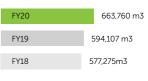




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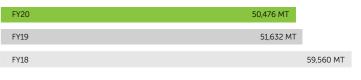
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Total water consumption from all areas with water stress

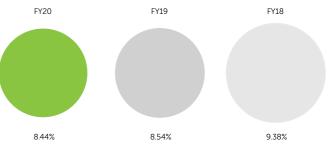


### Waste

Waste generated







### Packaging

Materials used by weight

#### Renewable

2019	22,846 kg
2018	24,694 kg
2017	24,255 kg

#### Non renewable

019	63,244 kg
018	62,666 kg
017	58,543 kg

# **GRI index**

Pillar	Report section	Material topic	GRI disclosure
N/A	Introduction		GRI 102: General Disclosures
People at the Core	Embedding a safety culture	Occupational health and safety	GRI 403: Occupational Health and Safety 2016
	Inspiring leadership	Business ethics	GRI 205: Anti-Corruption 2016
			GRI 206: Anti-Competitive Behaviour 2016
			GRI 207: Tax 2016
	Building engaging and effective teams	Employee pay and benefits	GRI 202: Market Presence 2016
			GRI 401: Employment 2016
		Diversity and inclusion	GRI 405: Diversity and Equal Opportunity 2016
			GRI 406: Non-Discrimination 2016
Sourcing with Integrity	Transparency	Responsible / sustainable sourcing, protecting biodiversity	GRI 304: Biodiversity 2016
			GRI 308: Supplier Environmental Assessment 2016
	Respecting human rights	Responsible / sustainable sourcing, human rights and modern slavery	GRI 408: Child Labor 2016
			GRI 409: Forced or Compulsory Labor 2016
			GRI 412: Human Rights Assessment 2016
			GRI 414 Supplier Social Assessment 2016
	Taking action on climate	Climate change	Covered in Making With Care section under GRI 305: Emissions 2016
Making with Care	Using less to make more	Climate change	GRI 302: Energy 2016
			GRI 305: Emissions 2016
		Water stewardship	GRI 303: Water and Effluents 2018
	Cutting out waste	Food loss and waste	GRI 306: Waste 2020
	Reducing our packaging impact	Sustainable packaging	GRI 301: Materials 2016
Feeding with Pride	Invest in communities	N/A	N/A
	Producing sustainable, affordable, healthier food	Food safety	GRI 416: Customer Health and Safety 2016
		Healthier and affordable food	GRI 417: Marketing and Labelling 2016
	Creating a future-fit food system	N/A	N/A



### View our full GRI index <u>here</u> >>





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