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# **Greencore Group plc Sustainability Seminar**

Wednesday, 24<sup>th</sup> February 2021

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*(link expires 23.02.22)*

## Title

**Patrick Coveney:** Good afternoon, everybody, and welcome to our inaugural sustainability seminar. Thank you for joining us as we set out and detail our sustainability journey, our sustainability strategy and the governance model and specific actions that we are delivering right now to deliver on our sustainability targets.

For those of you who don't know me, I'm Patrick Coveney. I've been CEO of Greencore since 2008 and I'm joined on the call today by Helen Rose, a non-executive Greencore board director and someone who's taken on a new governance advocacy and challenger role for us as our first ever sustainability engagement director. I'm also joined by Martin Ford and Andy Wright, which is our core leadership team in the area of sustainability. Martin is our technical and sustainability director and Andy is the head of sustainability. And I'm joined by Emma Hynes, our CFO.

And after we've run through our presentation, we've asked Kate Cawley, who's the founder and CEO of Veris Strategies, and she's worked with us extensively on our sustainability agenda over the last year to moderate the question-and-answer session for you that we'd get into once we've completed the introductory presentation.

An important point here though. Today's presentation and this discussion will serve to bring to life the detailed standalone sustainability report that we issued in November of last year. That report is available on our website at [www.greencore.com](http://www.greencore.com).

We've got three objectives for this seminar. First, to set out why sustainability has always been so important to our business from a portfolio, a strategy and an economic perspective even where we haven't been explicit about it, which perhaps we haven't been as much as we could have been in the past and how we are now working with all our stakeholders to tackle the opportunities and challenges that sustainability involves.

Second, to outline our strategy and organisational approach to sustainability. Today, we're going to focus principally on the environmental aspects of our broader ESG agenda. However, please note that we do have a comprehensive and detailed people strategy at the heart of our business that we describe as people at the core. And to put it simply, our success as a business depends on our people. This people and engagement strategy has been central to how we have steered our business through the recent challenges of COVID. We also have a robust governance model that is also outlined in our recent annual report.

Third, and most importantly from the perspective of today's session, we want to test our sustainability approach with ones that have knowledgeable and challenging stakeholders, namely the investment community.

As I said, sustainability has always implicitly been embedded in the way we do business at Greencore. However, it's only in the last 12 months that we've begun to articulate it more comprehensively and in a capital markets context. So of course, we are eager to get your feedback both in the Q&A session that we've got set up during this seminar but also in discussions with many of you afterwards.

Let me now pick up on slide four in the presentation and take a moment to explain why sustainability is not a new departure for Greencore. Indeed, it's been central to our business throughout my tenure as CEO and indeed for many years beforehand.

You see, the fundamental nature of our portfolio, the choices we've made on where to compete and deploy capital, the specific product categories in which we choose to operate and the way we configure our business model are inherently sustainable. Namely, we centre our business on growing healthy and relevant core food propositions. More than 80% of our products are delivered in fresh or chilled formats. We operate very short supply chains with more than 80% of our ingredients sourced from UK suppliers and with 70% and growing coming from within the UK itself. We assemble and manufacture food at scale in well-invested modern facilities that are much more cost and energy efficient than smaller manufacturers or indeed individual consumers in their homes can achieve.

We have a relentless focus on food safety, on portion control, on waste reduction and on nutritional balance in all of the food that we deliver. And we're continually expanding in areas such as meat-free and plant-based food alternatives with an ever-increasing share of our innovation pipeline and a greater proportion of our enhancement CAPEX budget in these areas.

As you can see from this slide though, we have committed more and more specialist resource to sustainability over the last decade and also played an active role in driving industry-wide sustainability initiatives and practices. For example, we've been working on salt-reduction programmes since 2004 and we delivered on a commitment to eliminate all waste to landfill in 2013. We signed up and are enthusiastically running our business against the Plastics Pact in 2018 and we've embedded sustainability in the Greencore Way, which we launched within our business in 2015 and in the new Greencore Purpose, which we launched last year.

Importantly, through a combination of this strategy, these investments and these commitments, we've delivered significant and measurable improvements in carbon emissions and in food waste reduction over the past decade.

However, I'm turning now to slide five. What we have achieved already is not enough. So, we are now stepping up both our ambition level for sustainability and our specific sustainability commitments. This approach is centrally linked to our new corporate purpose, why we do what we do, our reason for being, so to speak.

Purpose at Greencore has traditionally been implicit in the Greencore Way, the model that brought together the key elements for what we are about at Greencore and that set out for all of our stakeholders who we are and how we will succeed. However, through COVID-19 in particular, we've learned the true power of purpose – truly owning our three key priorities of keeping our people safe, feeding the UK and protecting our business. Armed with these learnings, building on the success of the Greencore Way and looking forward to the needs of the next decade as a wider leadership team, we developed a new core purpose – making every day taste better; making every day taste better by integrating sustainability with people, great food and business excellence, this purpose dials up our ambitions and commitments to sustainability takes time[?].

To bring this purpose to life for all of our colleagues, we aligned on six purpose commitments. All of our sites will have a community engagement plan. We will develop the first 100% recyclable sandwich package. Every colleague in Greencore will become a shareholder. All colleagues will have development opportunities and development plans. We will enhance our innovation agenda with a renewed focus on plant alternatives and meat reduction. And we will invest in technology and automation to drive efficiency in our business. As you can see, these

commitments also have sustainability front and centre to what we're about as a business and as a team.

So, it's against this context of purpose that we have designed and are implementing the sustainability strategy that we summarised on slide six. The first point here is that our ambition has been extensively informed by stakeholder consultation and stakeholder feedback. We sought this feedback both informally, given the deeper relationships that we've cultivated across customers, suppliers and peer food businesses but also formally through a comprehensive materiality assessment exercise that we carried out during 2020.

In framing this ambition and crafting the sustainability strategy, we're also conscious of where we sit in the wider food system. Our food system continues to reflect major trends in globalisation, urbanisation, technology and changing diets in remarkable ways. And in so doing, it delivers nutrition, convenience, employment, enjoyment and new experiences to more consumers and more people than ever before.

But it's a system that also faces massive threats to its ability to feed a growing population. Conflict, climate and economic slow downs have seen hunger and malnutrition rates rise while industrialised farming is resulting in biodiversity loss and the waste and degradation of natural resources.

In the UK market, obesity is a large and growing problem linked to poor diet, inconsistent food knowledge, affordability and growing levels of food inequality. Malnutrition alone is estimated to cost our health and social care system in the UK 23 billion each year with malnourished adults accounting for nearly one-third of hospital admission.

Research also suggests that 14 million UK households are unable to afford to eat well. It is often difficult for consumers to make informed food choices due to ambiguity on labelling and insufficient transparency on matters such as the sustainability of farming practices.

Listen, in case we were ever in doubt, COVID has taught us the link between nutrition, food, diet and health conditions including the ability to actually survive a pandemic. So many of these much-cited pre-existing conditions are inextricably linked to food choices.

As one of the UK's largest food manufacturers, we at Greencore have a moral and business imperative to deliver better nutritional outcomes, to fight food waste and hunger while being climate smart both on a local and global level. Taking action on these issues will unlock a wealth of broader societal benefits such as improved food security, the advancement of human rights, better public health outcomes and economic prosperity.

Our sustainability strategy then is about sourcing with integrity, making with care and feeding with pride. Each of these three pillars contains a cascade of measurable priorities and actions. There's an aspirational goal that reflects our longer-term ambition. This is supported by milestone targets that relate to the most material sustainability challenges, risks and opportunities that we have. And there are immediate short-term actions that provide us with tangible projects that we can be delivering right now and activities whereby we can mark and measure our progress.

Martin and Andy, along with several other sustainability experts across the business, will be diving into these in much more detail later in the seminar.

We acknowledge these are ambitious and challenging targets but they have to be. We also recognise that we have plenty to do within our business and within this strategy to develop detailed roadmaps to enable us to achieve these milestones and these goals.

Importantly, you will also hear our team outline some specific initiatives that will deliver sustainability impact in each of these three areas this year. We have no time to waste.

Turning now to slide seven. Hopefully by now, you're getting a sense that our sustainability strategy is grounded in both aspiration and substance reflective of our specific business context and is embedded in our business model and culture. But we need to hardwire this positive sentiment into our accountabilities and disclosure practices.

There are a number of related elements being pursued to ensure accountability. As we've indicated already and as you will hear from my colleagues, we have set specific milestones and agreed immediate actions to ensure that we're making a difference that is measurable. We've also established clear governance structures through the organisation. This spans from each of our sites through to our business units and functions, up to our senior management and leadership teams. It also includes our executive team and our public company board. Let me cite two examples here.

For just over a year now, we've been operating against a board commitment to have a sustainability topic as a formal agenda item at every scheduled PLC board meeting.

Secondly, we've decided to up weight board accountability still further by asking one of our non-executive directors, Helen Rose, to take on the role of sustainability engagement director. In a couple of minutes, she will describe the rationale for and the contribution of that role.

However, there is no point in having measurable milestones unless they're effectively embedded into incentive and remuneration structures. For example, Emma and I and multiple members of our group leadership team have specific sustainability targets as part of our personal and strategic components in our variable pay. And looking at sustainability from a risk management perspective, we monitor and assess environmental change in our risk management approach and processes. Emma will say more about this later in the seminar.

We're also committed to transparent and enhanced disclosure on sustainability progress. We need a rigorous underpin to our sustainability strategy and we want progress against that strategy to be assessable and assessed externally. We prepared our sustainability report 2020 in alignment with the GRI. That's the Global Reporting Initiative framework. The GRI framework is one of the most widely used standards for sustainability reporting and focuses on a company's impact on the wider world rather than solely on impact specific to their direct business activities. This disclosure approach increases the requirement for us to have internal data analysis capabilities that can meet these international standards. We have the basics in place here already and are committed as a business to enhancing that analysis toolkit.

We were delighted to issue our first sustainability report in November 2020 and we will report annually on progress against this strategy. And as we build momentum in this area, we will deepen our engagement with all stakeholders to help us embed these sustainability outcomes and to build momentum to do more.

Of course, there is loads that we don't know. We expect that our milestones and actions points will evolve in the coming years as we respond to the complexities of the challenges that we and

the wider food industry face. But our commitment to and how we execute against our sustainability strategy is something that we can control. It will be measure both externally and internally.

As such, I am now delighted to introduce Helen who will outline her perspective on sustainability at Greencore.

**Helen Rose:** Good afternoon, everyone. My name is Helen Rose and I'm delighted to have been appointed the sustainability engagement director at Greencore.

Like many families, the environment is very important to us. My husband was an environmental economist and my nieces have both chosen careers in sustainability. And again like many families, meal times can be complex affairs navigating different plant-based and more traditional preferences. Our family Zoom calls believe it or not, are often consumed by passionate debates on different policies and the trade offs required.

So, I was delighted when I was given the opportunity to help steer Greencore's sustainability journey. In my executive career, I have extensive experience in leading transformation programmes. Transforming companies to be net zero businesses will be a colossal challenge and one that should be governed at the board level.

The focus of my role is to support the team's sustainability efforts across a range of different areas including to review our sustainability objectives, procedures and ongoing performance; to act as a source of guidance and support for the group technical function as it executes against the sustainability plan; to work with the team to ensure we have robust governance, data and reporting systems in place; to provide the board with updates on sustainability trends and developments in addition to the reviews provided by the team at every board meeting; and particularly related to today, to engage with our group [inaudible] investor relations in relation to the group sustainability agenda and assist with shareholder engagement.

This is a great time to be working with Greencore in this regard at a very important moment for sustainability in the corporate world more generally. For many years, sustainability has been pushed to the back of the corporate agenda by many businesses because it was considered a longer-term issue and frankly, too difficult.

COVID-19 has prompted a wider discussion on how we rebuild the economy post the pandemic whilst also transitioning to a low-carbon economy. I hope that UK can bring the same urgency and collaboration we have shown in our pandemic and vaccine response to the climate emergency.

We, at Greencore, are starting from a really strong place as Patrick has already outlined. For example, we have an enviable track record in food safety and technical standards. We have also had to be excellent at resource efficiency and all its facets to generate strong margins and returns over the last decade or more.

Building on our track record of delivery, we have now articulated an ambitious sustainability strategy and set of targets. Hopefully, more guidance is being issued to support businesses consistently identify, measure and assess climate risk.

Transformations at this level of ambition and complexity demand strong governance and risk management. At Greencore, governance has been put in place; data collection gaps are being filled; risk systems are being enhanced. These strong foundations are being established whilst

also making progress on clear initiatives to reduce our impact on the planet. It feels appropriately difficult.

We recognise that progress will be incremental and we don't have all the answers. Our strategy was informed through engagement with a broad set of stakeholders and we recognise the need to continue to partner with customers and industry experts to tackle the really big issues.

And as you will hear from many of the team in our seminar today, communicating our strategy targets and plans with transparency is key. We recognise this will be a long journey and that there will be bumps in the road. We need to celebrate to take energy and motivation from our successes and learn from the success of others. And in fact, it may be the case that in some of the most complex challenges that we face that we will need to collaborate and partner across our industry and beyond in order to make progress. We plan to communicate transparently with all stakeholders and our sustainability report and today's meeting are the start of that engagement.

So in summary, we are confident we could position our business to play a leading role when it comes to responding to one of the biggest shared challenges our planet faces – building a modern food system that is fit – the future. Thank you.

And with that, I will hand you across to our next presenter, Martin Ford.

**Martin Ford:** I'm Martin Ford, technical and sustainability director. I've been with Greencore for 13 years. I'd also like to introduce Andy Wright. Andy is our head of sustainability and has been with us for 15 months having joined us from Sainsbury's. Prior to that, Andy worked in food manufacturing for Danish Crown in Tulip.

In the next 15 to 20 minutes, we'd like to take you through more detail on our sustainability ambition and focus in on specific activity that is taking place under each pillar of our strategy. We will also introduce you to some of our experts and let them talk you through some of the projects we have progressed with since the release of our sustainability report in November.

When we started building our sustainability strategy, one of the first tasks we undertook was to get a sense of the impact we have on the environment, the resources that we use and the scale of our supply chain. The nature of our business means that our product portfolio is broad and is also changing rapidly based on customer and consumer demand trends. In that context, we source over 3,000 unique raw ingredients from over 2,500 suppliers.

To produce our products, we consume resources. We detail these through our sustainability report and our GRI requirements but we've highlighted our carbon and water usage where we have been making steady progress to reduce over recent years.

Also to highlight on food waste, our percentage at 8.4 is reducing each year in a relative sense. Our level of food waste is modestly better than sector peers that we can identify data for.

Within the product themselves, we use a whole range of raw materials and we outline several of these under the broad categories of forest, fisheries and field. Historically, we have taken great care to understand our supply chains and to have transparency from a food safety and product quality perspective. Now, we are also working to understand our supply chains in a much deeper way to understand the sustainability impacts and hotspots as well.

Before we tell you about our plans for the future and go through some active work streams, it's also important for us to share what we've done today to recognise the work our teams have done to get us this far. This is a good reflection of the progress that we've made but also indicates that sustainability is part of daily life at Greencore. It builds on what Patrick talked about at the start of the seminar and in particular focuses on achievements and progress in recent years.

Significant highlights include a switch to 100% renewable electricity which has significantly contributed to a 39% reduction in our direct scope one and two carbon emissions; sourcing 96% of our tuna from sustainable sources; removing 1.5 billion calories from our ambient cooking sauces; and donating the equivalent of 1.5 million meals to people in need.

But to be clear, we are not patting ourselves on the back here. We have a long road ahead, but we are starting from a reasonably good place and we have built targets around many of these for the short, medium and long term.

**Andy Wright:** Thanks, Martin. Earlier in the seminar, Patrick outlined our strategy at the top level. I'd like now to discuss some of the thought processes behind how we developed our strategy.

We've strong processes in place to manage the impact from our manufacturing base but realised we needed to extend this sphere of influence upstream and downstream of our operations. On this basis, it made sense to build our strategy around the flow of our value chain through sourcing, to making and to feeding the UK. It was really important to us that our plans and ambitions were both robust but also really understandable by everyone in our business.

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

In sourcing with integrity, we'll focus on sourcing sustainable ingredients with transparency, respecting the human rights of everyone who works for us or with us and taking action on climate by reducing the carbon impacts of our products and our supply chains.

In making with care, we'll focus on using less to make more by becoming more resource efficient and operating a net zero business, cutting out food waste within our operations and ensuring our packaging has the lowest planetary impact.

In feeding with pride, we'll focus on our local communities and on helping to alleviate food poverty, designing products with affordability, health and sustainability front of mind and playing our part in creating a future-fit food system.

All of our new goals and targets and their corresponding areas of impact have been mapped against specific UN Sustainable Development Goals, the SDGs, and this will enable us to better determine where we can make the biggest difference using an internationally recognised set of reference points.

So, we'll dig into a little bit more detail on each of the pillars starting with sourcing with integrity. Firstly, our work on human rights is already well advanced with well-developed programmes in place to ensure our suppliers meet the highest standards. With our dedicated centralised human rights team focusing on the visibility and assessment of risk within our supply chains,



we can apply even more precision to how we monitor our supply chain via our responsible sourcing code of conduct.

For our raw materials, we're also risk assessing our supply base from an environmental sustainability perspective and we're prioritising risks across a range of top ten ingredients. And we're going to challenge even more rigorously our supply base to focus on sustainability by the introduction of a supplier code of conduct.

Our biggest supply chain impact is undoubtedly the climate impact of the ingredients we source. And therefore, our key work in this area is to initially set ourselves an externally verified carbon reduction target for both our supply chain and also our core operations. But as greater than 70% of our carbon footprint sits outside of our manufacturing operations, we focus on supply chain carbon within sourcing with integrity.

In this context, climate action is our highlighted project here and taking action on climate is an urgent priority for us. We started by committing to set a carbon reduction target in line with climate science and getting that target approved externally by the Science Based Targets initiative for both our direct greenhouse gas emissions, our scope one and two, as well as the indirect emissions that come from our supply chain, our scope three. These targets align with the United Nations Climate Focus Paris Agreement aiming to limit the rise of global temperatures to 1.5 degrees.

This will enable us to assess and report on how we're performing on our greenhouse gas emissions reduction work. It will help us future proof our supply chains and operations and achieve business growth while remaining within the necessary limits of global warming.

Our sustainability reporting shows we have an operational carbon footprint of 60,218 tonnes, showing a reduction from our FY18 base year of 39%. A big chunk of our emissions reduction to date has been achieved through operational efficiencies at site but also a switch to a renewable electricity tariff. Since our November report, we've continued to progress with several projects in this area.

The first is a risk assessment of the sustainability risk of the ingredients within our supply chain. We already risk assessed from a human rights risk perspective but are now in the process of adding sustainability risk to this review. We're working with a specialist consultancy, 3Keel, to support this process, which will help us focus in on the hotspots within our supply chain. The risk assessment will consider issues such as carbon intensity, climate risk, water, biodiversity and deforestation.

We've also begun the process of collating data for the setting of our sites-based target. Again, we're being supported by a specialist consultancy, Verco, to assist us. We're looking to submit our data in the next couple of months and hopefully get our target verified by the Science Based Targets initiative prior to COP26 in November.

Building on the target-setting process, we've also started on the implementation of net-zero roadmaps for all of our sites. We've decided to try this on one site first prior to roll out to the wider business. Our biggest challenge we envisage in this area will be around decarbonising our heating processes as our heating processes are all gasified currently.

Finally, we're starting to work on the analysis of climate risk to the business following the TCFD guidelines. This work is in its infancy and will build upon the risk assessment work we've already started.

We have a project team in place to commence the scenario analysis required and we'll be progressing on this throughout the year for reporting on progress in our next reporting phase in November 2021.

Going forward, we plan to utilise our science-based target more widely within the business to help motivate our people and to drive innovation as we look to deliver lower carbon products. Ultimately, we believe setting a science-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.

Now, moving to our second pillar, making with care, our big target is to operate our core business with net zero carbon emissions. Resource efficiency is central to this. To achieve that and as noted earlier will ensure all of our sites have a roadmap to achieve net zero. We're also driving progress on green logistics within our own direct-to-store fleet focusing on reducing the number of miles travelled but also ensuring that necessary journeys are as green as possible.

We'll also focus on food waste reduction and continue to make progress towards our stated ambition of a 50% reduction in food waste. We'll deliver that via our food waste reduction programme via mapping waste throughout our supply chain and by ensuring the maximum amount of any surplus food is redistributed to those in need so none is wasted.

We also want to make the same rigorous approach to packaging and ensure the packaging we are developing has the lowest planetary impact by ensuring we undertake scientific analysis of the materials we use and the recycling infrastructure in place to return them to use. We are highlighting two key projects within this pillar. Martin will focus on our packaging initiatives while Norman will look at our track record and our plans in managing food waste.

**Martin Ford:** Thanks, Andy. Now, I will look specifically at the work we're doing to develop and launch a fully recyclable sandwich skillet in 2021. 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.

We've committed to installing a science-based approach to lowest-impact packaging, which means reviewing the whole life cycle of our packaging and not just delivering packaging with the greatest consumer appeal.

In FY20, we produced 619 million food-to-go items and the majority of these were sandwiches. We supply approximately two-thirds of all supermarket sandwiches in the UK and remain committed to making food-to-go packaging easier to recycle at home or in the workplace.

One of the signature projects we need to make progress on is the development of a fully recyclable skillet, the wedge-shaped packaging we use for sandwiches. The standard industry skillet is of cardboard construction with a plastic liner and a plastic window. The volume of plastic within the skillet means it's classified by the OPRL, that's the on-pack recycle label

scheme, as recyclable. However, in reality, there are issues within the waste management and recycling process. That means we don't believe many skillets are recycled in reality. We want to make recycling as convenient for consumers as the product inside the packaging.

We pooled together a cross-functional project team to conduct an options appraisal and began a detailed review of process choices including down gauge plastic-lined option, a peelable plastic film, film containing post-consumer recycle, film made from bioplastics such as cellulose and finally fully paper-based options.

Our industry analysis with experts from the waste industry, the paperboard recycling industry and our specialist packaging suppliers has led us to pursue the paper-based skillet as our prime contender. The logic is that as the packaging is made from a single material, this aids the recycling process and becomes a circular process whereby material is recouped and not lost.

The paper-based skillet has an opaque window similar to tracing paper, which means we have – also have to test consumer acceptance of this change. The in-site trials we have run to date on a limited basis showed a very positive reaction to the plastic-free skillet. We also need to make sure we don't have a knock-on impact and deliver unintended consequences.

Shelf life trials have also been conducted through the supply chain to check the integrity of the packaging and ensure we don't create additional food waste.

We are currently in the process of determining the whole life sustainability impacts of our options using an external specialist consultancy. The life cycle assessment will assess the impacts of our proposed skillet options from cradle to grave. Our trials are nearing the conclusion and we plan to be in a position to offer our fully recyclable skillet to customers later this year.

With that, I will pass to Norman who will talk through our initiatives on food waste.

**Norman Watson:** Good afternoon. My name is Norman Watson and I'm the group sustainability manager. My role is primarily dealing with the group's waste and our surplus food redistribution activities. I've currently been with Greencore for just over 11 years.

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

As a UN Champions 12.3 signatory, we've committed to a 50% absolute reduction in food waste by 2030 compared to 2017 base year. We want to cut out food waste within our operations and work with others to minimise it both up and down streams in our supply chains.

We measure our food waste against stock reduction volumes on a monthly basis. This data is used by the group sustainability team to evaluate performance and review progress against our 2030 target. We publish an annual food waste report as part of WRAP's food waste reduction roadmap.

Our overall food waste figure is reducing year-on-year. We're making good progress towards our target. Through our food waste reduction programme, we've delivered since 2017 a reduction in absolute terms of 20% and in relative terms a percentage of total food waste handled of 11%. In FY20, we had 33,000 tonnes of food waste or 8.4% as a percentage of food handled.

Our progress today is being delivered through the focus and continuous improvement via our excellence programmes and in particular our Greencore Manufacturing Excellence team. We run food waste reduction projects across all of our manufacturing sites. These were aligned with the Target, Measure, Act food waste reduction roadmap developed by our partners, WRAP and IGD. Our food waste reduction programme applies to all our direct operations and activities but not to our suppliers or customers.

We have also focused on increasing our levels of food surplus redistribution and in FY20 donated 668 tonnes of product including some 1.5 million meals to food redistribution charities. We're already working with a number of food 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.

But in order to meet our UN Champions 12.3 target, we need to do more. We're carrying out a strategic review of how we would use the same governance and process to extend our focus from food waste value to target food waste that is high in tonnage so it can be minimised or repurposed.

At the manufacturing site level, we want to build on a previous pilot, our War on Waste, and engage colleagues in the process. For a wider view of food waste across the supply chain, we're engaging with key customers to conduct whole chain food waste analysis in order to assess impacts up and down the supply chain. And finally, we want to ensure maximum visibility of food surplus across our organisation so we can ensure any surplus goes to feed people in need. We're trialling a new software platform called Neighbourly to help us identify and report food surplus and to link in with food redistribution organisations.

**Martin Ford:** Thanks, Norman. Now, moving to our final pillar. Within feeding with pride, we focused on our external impacts on society through the products we produce and the impact we can have on local communities but also wider society and the food system that we're a part of.

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 as much as the planet.

Local community engagement has been important for us for many years and COVID has only highlighted this further. But we're joining up our site-driven activity we have in place to focus in on food-related activity through our starts with food charitable programme.

We're trialling an online platform called Neighbourly to help give us greater visibility and measure the impact we have across our community work. Our capabilities in product development and innovation alongside the proprietary consumer insight work that we conduct on an ongoing basis gives us a point of difference in our sector.

We're focusing on embedding sustainable decision making within our NPD processes with a particular focus on healthier products and plant-based eating. This is already evident in our innovation data where approximately a quarter of all product launches in FY19 and FY20 both our new product development our existing product development were plant-based vegan or vegetarian.

In our ambient cooking sauces, we've removed the equivalent of 131 tonnes of sugar, 21 tonnes of saturated fat, 5 tonnes of salt and 1.5 billion calories from our products without compromising on taste, quality or flavour.

Finally, 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 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, biodiversity loss and feeding a growing population. We'll raise our voice by taking a leadership stance on these issues in our sector and encouraging others to join us to find solutions.

Now, Jo will share some of our project work that's underway in our prepared meals business.

**Jo Elsdon:** Good afternoon. I'm Jo and I work as head of food within the Greencore prepared meals division. I'm going to take you through some of the examples of our work on sustainable diets.

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

We know that consumers don't want to be told the food is healthier for them. There is an association that this will bring compromise on quality and taste. So a stealth health approach can be beneficial.

Health attitudes are changing. No longer does health mean diet and consumers have more sophisticated approaches to health. It's not just about calorie counting and reducing fat. It means different things to different people such as high protein, counting macros, healthy choices or boosting immunity.

What was historically described as the healthy ready meals market, low calorie or diet products, has seen decline over the last three years as consumers adapt their approaches. Telling someone a product is healthy is no longer enough. We need to be cleverer and develop products with no compromise on taste.

How we do that is through innovation and ingredients, expert recipe formulation by our chefs, working closely with suppliers and technical experts to deliver the healthiest products with the maximum taste. And we want to be leading the way.

Health has been a key part of what we do at Greencore for over 15 years. From the very first salt targets issued by Public Health England, a gradual approach to salt reduction has been taken. Over the last year in our ready meals business, we've taken a similar approach to calories, fat and sugar. And through clever redevelopment and ingredient innovation, we've removed over 800 million calories from our ranges and 78 tonnes of fat. But we won't stop there and we will continue to innovate and improve the health of all our products while maintaining leading quality.

Whilst we improve the health of our products for all, we still need to consider those with more specific requirements. Positive health is the opposite of stealth health with active addition of ingredients to benefit the health credentials of a product with no compromise. This is an area of focus for us through our innovation strategy, an example of which would be our work around

developing a high-fibre pasta that has no compromise from a standard white paste allowing us to improve the fibre intake of consumers while maintaining taste and texture.

And to move on to plant-based diets, I don't think there'll be anyone listening today that hasn't seen or heard about the seismic shift towards plant-based and vegan diets. And maybe some of you have participated in veganuary. It's fair to say, however, while there's been a sharp increase in the number of consumers becoming vegans, it is still a minority and only accounts for 2% of the population.

From an online survey of 500 consumers in January '21 using our Greencore One Pulse survey, 86% of the population are meat eaters and 44% actively want to reduce their meat intake. For those wanting to reduce or remove meat from their diets, motivations vary. Vegans tend to be highly motivated by animal welfare and sustainability while meat reducers, some who committed and some who are doubling, tend to be motivated by health and sustainability. Not only will a reducer want to lower their meat intake, they will also review the balance of red meat to white meat.

Ready meals are seen by consumers as being an easy access point to plant. And in one of our largest customers last year, ready meals had the highest participation levels for entry with 21% new consumer shopping into it. This specific category continues to grow with 116% volume growth over the last 52 weeks.

Plant is a key pillar of our innovation strategy to enable us to innovate new products for changing consumer needs and to meet our sustainability ambition targets.

Our meat reduction strategy has three drivers – meat reduction through stealth health initially but in the future could well include cultured meat, meat that's grown in a laboratory from animal cells; meat replacement using mock meat ingredients, could be soya mince based, Quorn, tofu, etc.; or hero vegetables.

We have live work stream currently to investigate reducing meat content in our meals and replacing a small proportion of minced beef with other ingredients such as vegetables. In this case, we've used mushrooms. Initial research is promising with minimal taste differences being picked up in the products. Further consumer panelling is underway as we speak.

Our innovation team over the last year have been working on a plant-based programme across these drivers and have had a big focus on meat replacements, working with our supplier base and technical teams to identify the best in the market and staying ahead of new ingredients and technologies. These products minimise any compromise consumers have to make in moving to a plant-based diet.

Innovation in this area is huge. It's come a long way from a bag of frozen soya mince or Quorn fillets though it can have a limited appeal to vegetarians and vegans due to it looking and tasting like meat.

And finally, a comment on hero vegetable products that are not trying to be anything else by focusing on the positives of the vegetables, making vegetables the heroes. These products are most appropriate for vegetarians and vegans that don't want any visual indicator of meat. We've had some strong product launches in this area and we're shortlisted by the Q Awards for one of our customer's butternut squash laksa meals.

In 2020, 43% of our new products launch were vegetarian, plant or vegan and many of these were developed with additional health claims such as source of protein, fibre and finbredaire[?] helping to provide a balanced nutritious meal accessible for all.

Thanks for listening today. I'll now hand you back to Martin.

**Martin Ford:** Thanks, Jo. Before finishing this deep dive, it's worth highlighting how we're engaging across our stakeholders and how developing partnerships will remain hugely important to us and to the industry.

All 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. For example, we work with our suppliers and customers daily to develop, improve and refine our products. 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. We consult in NGOs, local community groups and conduct consumer research to better understand the contribution we can make to society.

To improve our dialogue further, we've developed an open online reporting hub that complements our annual sustainability reporting at [makeeverydaytastebetter.com](http://makeeverydaytastebetter.com). We intend to use this platform to broaden our research as we seek to appeal to a wider audience.

As we've noted already in this seminar, many of the issues we want to address across our three sustainability strategic pillars are complex. Many of the challenges we face in this regard are shared by others, both within and outside of our sector. As such, we are developing a set of partnerships with key stakeholders to pursue collective action around them. Our current partners encompass the majority of our material topics.

Thanks for your time. I will now pass to our Chief Financial Officer, Emma Hynes.

**Emma Hynes:** Thanks and good afternoon from me. My name is Emma Hynes and I am CFO of Greencore.

You have heard already how sustainability is embedded in the daily operations of the business and it's no different from the finance perspective. We use our key performance indicators, KPIs, to assess and monitor the performance of the group and to measure progress against how we execute our strategy. Our financial KPIs specifically measure progress in delivering profitability, returns and cash flow. But in measuring this progress, we must also consider the relationship between each of these measures and also the range of non-financial KPIs that we monitor.

Sustainability is interlinked to most, if not all, of these metrics in some shape or form. These relationships are evident all across our economic model. Firstly, the sustainability agenda plays a key role in our model of how we think about long-term value creation. We would have talked in detail about this model at our capital markets day in 2019 and it involves how we think about growth, how we think about profit conversion, how we think about cash generation and how we think about investments and capital allocation.

Sustainability considerations run through all this. Some prominent examples include how we manage our input costs and the various risks that can occur in our supply chain linking to our sourcing with integrity pillar, how we strive to optimise and manage our waste and also our efficiency levels in resource usage such as energy and water – central to our making with care pillar. It is also evident in our ongoing commitment to new product development and how we work with our customers to launch new products that meet new customer demand trends and health and wellness thereby driving growth.

And perhaps a little indirectly, our ability to hire and retain labour can benefit from a strong and vibrant presence in the local community with both products and community central to our feeding with pride sustainability pillar.

In addition to these P&L-related relationships, our own sustainability agenda is aligned with the group's capital allocation and financing models. Our sustainability objectives are consistent with group investment strategy and in particular, our CAPEX decisions must factor in sustainability criteria in order to be approved. While on financing in FY19, the group implemented a primary bank debt agreement with embedded sustainability targets – the first of its kind in Ireland. Managing the balance of sustainability with the group's broader objectives can be a challenge especially if commercial and sustainability goals diverge or when specific risk management and controls must be assessed and applied. We manage through these on a case-by-case basis and now, with our renewed internal focus and sustainability strategy in place, we will balance these more effectively in the future.

If I now switch to how we manage our impact, we have done a comprehensive body of work to formally identify what matters most to our business from a sustainability and ESG perspective. The purpose of the assessment was to identify our material sustainability issues and also to assist us in meeting our GRI requirements, all with the aim of increasing transparency and disclosure to stakeholders.

A few points on the process itself. Firstly, we undertook a peer benchmarking exercise to assess our overall sustainability performance in three key areas – target setting, reporting and engagement. We then asked a range of internal and external stakeholders to rate their most significant sustainability issues to both assess the relative importance of those issues to our business and to determine our ability to have an impact on those issues across the value chain.

We have included the profile of the respondents in our chart. We agreed materiality thresholds via internal discussion and other expert inputs. And finally, we integrated the highly material topics into our three pillars of sustainability strategy. This allowed us to build this material impact matrix that we have outlined on this slide.

This aligns material topics and core GRI disclosures to our strategy. It provides focus for future projects and actions. And we can adapt and flex to evolving trends in the future as we have built in an assessment review every two years.

I will now hand the presentation back to Patrick.

**Patrick Coveney:** Thanks, Emma. As we conclude the formal part of the seminar now, I wanted to restate how excited we are as a team to have been able to share our sustainability strategy with you today. We look forward to engaging with all of you regularly in the months and years ahead to develop and evolve our sustainability pathway further.



We believe that we're on the right track here and that we are well positioned to deliver on our sustainability objectives both in the near term and longer term.

Before we switch to Q&A, four points to reiterate. Firstly, sustainability is core to purpose. It's core to our strategy and to our leadership model. It is indeed central to how we engage with all stakeholders. Simply put, we cannot succeed over the next decade without it.

Secondly, this strategy is strongly underpinned by accountability and by transparent metrics such as GRI. It's in line with how consumer and societal trends are developing and it's consistent with evolving regulatory change.

Thirdly, we have sustainability commitments in place that are challenging, measurable and necessary for all aspects of our business.

And lastly and importantly, there is significant commercial opportunity available here for truly sustainable business models like ours. We can both win as a business and do the right. So, thank you again for your participation today.

And with that, let me now turn to our question-and-answer session, which is going to be hosted by Kate Cawley. Kate.

## Questions and Answers

**Kate Cawley (Veris Strategies):** Hi, Patrick. Thank you very much. I enjoyed that. That was a good – good hour to kind of find out what you guys are up to. So, my name is Kate. I'm from Veris Strategies and we have been working with Greencore for probably the last year, kind of helping to shape their new strategy and also really to challenge their ambition. And I hope what has become really evident over the last hour is their commitment and their level of ambition.

So, I'm here to moderate the Q&A and really kind of get under the bonnet a bit more with what this really means and kind of get a bit more deep and meaningful on any issues that really kind of resonated with you guys out there. I would encourage you to kind of fire some questions and we've had quite a lot already. And I will do my very best to get through them but I know that the team have committed to circling back on any questions we don't get through.

I also – I know you've heard from everybody today. I also just wanted to introduce Clare is here, the COO. So, I don't know if you want to give a wave, Clare. So, Clare will be able to answer any specific questions that are kind of operatingly focused but also really some kind of more richness to the wider conversation because, I think, as Patrick said, it's only really through engaging in this type of dialogue and wider conversations that we can really kind of start to pick up the pace on climate action.

So, let's go. I want to start with you first, Patrick, if that's okay, because one of the things, I think, is quite important to kind of get across is the context of how we've got to where we are today because whilst your strategy has been very much kind of influenced and shaped by the pandemic, it wasn't born from the pandemic. This is not a knee-jerk strategy, and I think it would be really interesting to kind of understand, go back a bit to where this kind of came from. You're on mute, I think, Patrick, the most common words of 2020.

**Patrick Coveney:** You would think by now, exactly, Kate, I would – I learned how to do this kind of stuff. But – but listen, the – you’re absolutely right. I mean, we – as I said in my introductory remarks, you know, we’ve learnt a lot from how to run the business through COVID and in particular, the power of purpose. But our sustainability agenda was well underway before that. And, you know, I touched on some of the core work that we’d done around pivoting and shaping our portfolio towards more sustainable parts of the food industry and tonnes and tonnes of work that we’d done within industry bodies on important industry-wide commitments around salt or food miles or plastic packed and so forth.

Well, I’ve got to say, when we engaged our team internally, and I might ask Martin to comment on this in a second, it wasn’t quite cutting through as an overall integrated approach to sustainability. And with one set of stakeholders in particular and there’s a guy who I suspect is listening in here, Nigel Smith, who’s our group strategy director who’d be a somewhat different work generation to me, we just weren’t cutting through to millennials either with the work that we were doing.

So we kind of set about trying to do two things, actually. One, to see if we could do a better job of telling the story of all of the things that we were doing. But importantly, we knew that wouldn’t be enough that we would have to take on new initiatives as well and build incremental capability in our business in order to be able to do that. And people like Andy Wright and Norman and Jo, you heard from them earlier in the call, are very much part of that.

But actually, if I could crystallise it to one moment, it was actually a – it was a bollocking that I got from Martin Ford about 18 months ago when we were sitting in London and talking about all of this. So, I might actually segue to Martin and Martin, you might just describe how we really got going and what the genesis of today really was back then.

**Kate Cawley:** You’re also on mute, Martin. I don’t know whether we want to move – is that working – or move on to Andy maybe?

**Patrick Coveney:** Yeah. Yeah, Kate, why don’t we jump to Andy?

**Kate Cawley:** Yeah, go on then, over to you Andy as the kind of new recruit and in-house expertise.

**Andy Wright:** I’ll check. Can you hear me first?

**Kate Cawley:** Yes.

**Andy Wright:** Yes.

**Kate Cawley:** Yeah, all good.

**Andy Wright:** Well, I don’t – I’ve only heard the legendary story of Martin and Patrick meeting in some dodgy bar in Kings Cross and planning the future. But from my perspective, in terms of my joining Greencore 15 months ago, I think all sustainability professionals are kind of activists at heart, I suppose, and we all want to change the world and we all want to work for companies that get it and want to do things differently. And the guys at Greencore sold that to me and were up for being challenged, which massively appealed to me.

I think also in the manufacturing space, manufacturers have got a really big role to play in delivering sectoral level improvement, if I can say. Retailers often get the headlines as they’re the most visible in this space. But the rubber really hits the road in manufacturing, and there’s

a really big opportunity for us as the experts in what we do to take that kind of leadership position, I suppose.

**Kate Cawley:** Yeah. And it does feel different this time, doesn't it? It feels like there is much more expectation from businesses. And I think people are definitely looking for moral leadership now, which, you know, I think absolutely you guys are kind of really, really kind of on – on – on with really. And certainly, I don't know whether it is madness or bravery but to keep going and launching a new sustainability strategy and a purpose strategy during a pandemic is pretty impressive [inaudible] a level of commitment and kind of ambition that – that you kind of didn't let it drop. So, it's yeah, it's a good start. Martin, are you back off mute yet?

**Martin Ford:** Can you hear me now?

**Kate Cawley:** Yes, we can, hurrah.

**Martin Ford:** Excellent, excellent. Sorry about that.

**Kate Cawley:** All right.

**Martin Ford:** So yeah, I was just saying that I wouldn't actually describe it how Patrick described it. It was more of a gentle conversation about how we needed to improve our ambitions would be my description of the meeting that we had. But it did crystallise in our thought processes how we needed to go on a journey; and I think what we've gone through is a process of switching from a risk-based approach to sustainability into a much more ambitious visionary engagement approach.

And, you know, Andy and I would say we've had fantastic support from the Greencore board who, as Patrick said, we present to at each board meeting with an update on our progress. And it's really something that we can't achieve on our own. So, I think being able to engage it and include it in the Greencore new direction in the Greencore Way for last year and also in our purpose work means that it's much wider in terms of engagement across Greencore, and it will involve many more people than just the central team. But I would call out Andy at this point, who I think has been absolutely central in changing and modelling our approach to this and where we've got to.

**Kate Cawley:** Yeah, that's good. We have got tonnes of questions flying in. I'm just trying to prioritise and kind of theme but one of – this is probably – I think to start with you, Emma, on this one. This is – people are asking, is this a sustainability strategy or a business growth strategy and how is it being funded?

**Emma Hynes:** I guess for – can you hear me, actually, just to make sure?

**Kate Cawley:** Yeah.

**Emma Hynes:** Yeah, okay, great. Look for us, a sustainable business really is one that combines both of those. As stakeholder awareness grows of the need for sustainability in how all businesses operate, it creates momentum and we're not really considering it as a separate requirement for funding. The way we think about sustainability is that it's incorporated into our capital investment, process and our Greencore excellence model. So, it's not something that's new to us overall. It's something we've been focused on for a long time as we've talked about through the [inaudible].

It's important that we assess every step of our value chain to make sure that we have a sustainable model whether that's looking at energy sources, our labour or our sourcing. And what we're doing now is putting structure and process around this.

**Kate Cawley:** Yeah. And again, this is a popular question and it's a good one because actually, how accountable are you really going to be as a business on this and is it execs leading it?

**Emma Hynes:** Look, we have a clear view that what gets measured gets done. And we put the governance model in place to ensure we measure how we are doing against our targets and accountabilities running all the way through the business both through, you know, the appointed sustainability engagement director, through the governance structure of the SteerCo. And that does include input from all business units and functions right down to implementation at site and production line level. But we're also ensuring that we think about sustainability when we're making decisions on CAPEX. But also as Martin said it firmly on the board agenda for each meeting so presenting to board regularly as well and look, from an executive perspective as Patrick said, progress and sustainability is a feature in assessing performance overall for the group.

**Kate Cawley:** Yeah. I mean, I don't think anyone can really knock your kind of commitment and the kind of structure you put in place to deliver this. And obviously, having a long-term kind of commitment is critical because there is no silver bullet to solving kind of climate change, is that kind of moving in that right direction. But obviously, 2040 is fair way away. I don't know, well, I'm not sure who, you know, will we still be all around involved in the business. But Andy, probably direct this to you. What are the quick wins? What can you really make an impact on now?

**Andy Wright:** Am I allowed to sweat a little? I'm probably opposed to the question in one way in terms of – so apologies. Sustainability for me isn't really about delivering quick wins. It's about answering really complex challenges embedded within our food system. So quick wins don't always deliver the systemic change that we need to see, I suppose.

Having said that, to kind of play the game a little bit, the most important thing in my pad right now is definitely around delivering a science-based carbon reduction target primarily focused on our supply chain. So as a business, we've got some really clear visibility of where the improvements that are required are along the wider sustainability risk assessment process I suppose in terms of determining those focus areas for us on wide topics like human rights, animal welfare and biodiversity.

**Kate Cawley:** Yes. This – while we're talking about net zero, a couple of questions have come in about the offset component and your kind of thoughts on that and the role offsets will play in your net-zero strategy.

**Andy Wright:** A down the road commitment. So, we are absolutely aware that we need to go really hard and really fast at carbon reduction no matter where the target takes you. Offsets may come into play at a later date in terms of mopping up what we can't manage to deal with ourselves but the focus is absolutely on carbon reduction in the first place.

**Kate Cawley:** Okay.

**Patrick Coveney:** Could I I just jump in on the point of the case for quick wins if I call it that? It's not that you're trying to do things that are superficial. It's that you're also trying to build

organisational momentum behind the agenda. And so if you, you know, if you reflect on the – what we set out in slide five, which were a set of commitments that [inaudible] group executive leadership team in Greencore. We've made two and with each other for 2021. Some of them are going to have demonstrably good sustainability outcomes like bringing to market the first fully recyclable sandwich skillet and Martin described that earlier.

But others will play to building momentum within Greencore, and Clare might touch in a second on the power of having 11,000 or 12,000 people all focused on this. But, you know, the idea of having an engagement plan for community engagements that is robust in every single manufacturing site and distribution centre over 40 different units across the UK or continuing to move on. I know Andy spoke about it earlier the proportion of our new product development that is focused around plant-based or – or vegetarian food from a quarter of our, you know, close to a thousand new products in a year to hopefully a third or more of that.

So, those outcomes might have discreet or relatively modest impacts relative to the societal challenges that we're taking on but they're very important in building momentum and awareness and advocacy across our overall business. Clare, I don't know if you want to kind of pick up that because I know it's a big theme of yours?

**Clare Evans:** Yeah, I mean, there's a couple of things I would say on that. The first thing is that we have got a really well embedded process that we can already stand behind and have seen fantastic success in delivering reductions in food waste and energy. And that's delivered by our site-based continuous improvement teams in partnership with our site operational teams. And they follow, you know, a really robust annual cycle diagnostic, project delivery and governance, which then is really well communicated and embedded within the every day processes within the operational teams.

But really key to success is bringing this to life for every single colleague within our business. So, a great example of this is where we've done war on waste initiatives. And the one I can, you know, bring to life probably the best is what we did in Warrington where every single function had a part of the manufacturing process that they needed to focus on. And colleagues from every level in the business came up with new ideas on how to reduce food waste and energy. And the one that really sticks with me is that one of our colleagues who empties our sauce bags on the line actually said, 'Well, there's a much better way in which we can empty this and reduce our waste even further.' And you know, everybody then started to realise that they can make really, you know, important commitment towards this and everybody's got a role to play. So, I think it is about making it live for everybody.

**Kate Cawley:** Yeah, humanising that journey and actually, I think, food waste, it's such a material issue for you guys as a food business because obviously, you don't want any food waste. But also, it's a great kind of gateway issue for employees to get behind because they can see it, they can feel it, they can touch it. It impacts them daily. So, yeah, I think you've got kind of a great platform to build from there. And certainly, I think is it 12,000 people? That's no mean feat to get engaged [inaudible] and kind of get on board with it, I think.

So, I mean, just kind of opening it up to the floor really because we've had a couple of questions on this. Do you – and I don't know, Patrick, if you want to lead on this, do you think you're being ambitious enough? Is 2040 too far away? Are you moving fast enough do you think?

**Patrick Coveney:** Well, I think we're ambitious at the moment. But as we build momentum, the targets we have right now may not be ambitious enough. So, a big part here, Kate, is getting started, hitting milestones that, you know, that right now feel stretching. And then as we go through them one at a time, I think we may well be more ambitious in terms of how quickly we can get some of the targets that we've set in place longer term.

I mean, Andy, I don't know if you want to just kind of calibrate that because, you know, inevitably, there's a level of judgment, right, to target for, for example, net zero 19 years from now in 2040 and just how specific you can be about that. But I think the – Kate, it's really important to recognise the power of getting started.

**Kate Cawley:** Absolutely.

**Patrick Coveney:** And then you can refine as you go. And I think that's the kind of mindset behind this. But Andy, you might want to jump in there.

**Andy Wright:** Yeah. I suppose from my perspective, it absolutely is ambitious enough but recognising that we've maintained from the start, this is an agile ambition. We're going to change things up. Things will move as we go forward. But it is clear mandate for change within the business. Setting the vision was the key element in that really and helping the wider business to think differently. And that's already paying off from my perspective within a couple of months of launching the new strategy.

And really, this programme is never going to work if it's totally controlled by the sustainability department. So, my aim within is – really is to embed sustainable thinking into all departments, so it's out of control basically; and projects are springing up all over the business, not just directly through the sustainability team.

**Kate Cawley:** Yeah. I've had a little chuckle at the out of control because Emma, how does that make you feel? I mean, that's for someone that is running kind of as CFO, the words out of control probably bring you out in hives, I'd imagine.

**Emma Hynes:** No, no, not the words you typically like to hear, Kate. So, look, there is momentum behind this. And clearly, we're seeing a lot of corporate setting goals. That's true. But I think in terms of how we've gone about this, I think we've been measured in how we've determined our priorities and we've taken account of our stakeholders' input and in how we set out targets saying, well, what are the key priorities and where are we going to focus on. I think we've got a clear governance model in place to ensure that we're measuring our success.

And, you know, as Andy and Patrick said, we're going to constantly review that to make sure that we're hitting the commitments that we – that we set out in the first place but also making sure that they are stretching enough as we go forward. And – and you know, all of the things we're doing is not new to us and I hope people have understood that from the presentation.

A lot of these things aren't new but what we are doing is stretching ourselves further and formalising it and embedding it as Andy said because once it's in our business processes, that would support our delivery. It needs to be part of what we do every day and what we talk about every day.

**Kate Cawley:** And Andy, sorry, back to you on this one because we've had a couple of questions of how you've engaged with customers on this and kind of are you now kind of leading

them on certain kind of issues, certain kind of sustainability kind of programmes? Are they looking to you guys as the experts?

**Andy Wright:** Absolutely, and it's a narrative that I regularly repeat internally is that look, we are the experts in our supply chain and we need to advise customers accordingly. I suppose we're having much more complex conversations now with customers on sustainability and how we jointly tackle some of the really big issues together.

Historically, I suppose often a lot of those projects have focused on quick wins, things that are easier to achieve within a time scale. But I think we're having those conversations now not just sustainability team to sustainability team but we're having it in the round with a much broader kind of commercial footing as well, which is giving real clarity to the projects in getting some big stuff done quickly.

**Kate Cawley:** Yeah. I mean, one of the areas that's really strong within your strategy is obviously your focus on packaging and kind of producing the first kind of truly sustainable sandwich skillet. You know, it's a complex tricky kind of area that no one's really cracked. I mean, we've had a lot of questions about what you're doing on it and, you know, what does a truly sustainable sandwich skillet mean which is the packing around kind of sandwiches. I feel like Martin, do you want to kind of bring this to light a little bit more?

**Martin Ford:** Yeah, thanks, Kate. So, I've covered it in the presentation obviously. But behind that, I would just call out just evidence in the commitment of our teams actually as we've gone into this process. And we've had fantastic support on a working group on the sandwich skillets from operations, purchasing, packaging experts in our team just all pulling together to deliver this and not least our suppliers as well who've been fully behind us on options.

And we started there like what are the options available. This was going on over 12 months ago. And actually, what more options can we bring to the table? How can we expand the options available to enable us to get to a solution here? We looked at light weighting, separation, including post-consumer waste. And then we really focused in on plastic-free options in discussions as a team. And we kind of landed then on the best solution for us was the paper-based skillet, so paper lined. But that's not – that's simple to say actually delivering. We couldn't have an impact on shelf life, so we've had to devise the product so we don't lose moisture out the sandwich because actually, an impact on shelf life would have a much worse impact on food waste, which would be, from a carbon point of view, significantly worse.

We still got some solutions to close out, so we've got additional scale up trials to do. We've got some recycling trials to do. We've got the life cycle analysis to do. But we're very, very close to approaching all our customers with where we're up to, to date to really share it and then work together with them to deliver this across the – across the industry effectively.

**Kate Cawley:** Well, that is actually a lovely segue in to the next question that's come through which I feel like maybe, I don't know if you want to start, Patrick, and then possible Emma, but lots of really good feedback. People saying it's brilliant to see a business putting kind of people and planet alongside profit. But actually, how far will you take this with your customer base. And I actually would extend that out to suppliers as well that are going to kind of divert you off your vision and ambition. You know, that is a difficult call to make in quite challenging times. So, I guess, what are the commercial trade-offs that you're prepared to make to kind of stay aligned?

**Patrick Coveney:** Yeah. I mean, I might just reflect a little bit on what's happening across the food chain like right now, today and yesterday, right? So, just because it feels like a kind of coming together of stakeholders the likes of which I kind of haven't seen before. So, let me just be very specific.

So, this is the second quite public investor seminar that's happened today. Asda had one this morning to go through their sustainability agenda with multiple stakeholders. They had 1,500 people on a call for nearly three hours to run through it. Greggs launched The Greggs Pledge today. Glanbia have launched their Pure Planet sustainability strategy today. And yesterday, Co-op kicked off their Fairtrade Fortnight.

And so in the course of like – there's two customers and two, you know, peer food companies who right now today are committing and demonstrating the kind of breadth and depth of their actions in terms of sustainability.

So, like, you know, this isn't the case of trying to push water uphill with customers or stakeholders to our business. I think we're all there. And you know, one of the things that, I think, I've learned through, you know, this journey over the last couple of years here is you don't have to think about this in trade off terms. And, you know, do this but don't do that. Don't do that because you – it can't commercially work. There's actually a very, very high level of alignment through the food chain to collectively make progress on sustainability.

And I think in this regard actually, the governance mechanisms for the food industry, particularly in the UK are quite helpful, actually, in pulling together like we saw in COVID, right, where, you know, Defra pooled together the food industry resilience forum which was, you know, farmers, suppliers, distributors, manufacturers, retailers, food service. Everyone working together with a purposeful goal of keeping Britain fed.

So, I'd be pretty optimistic, actually. And to be very specific on your question though, Kate, we've made tonnes of changes in our supply chain and with our suppliers in relation to sustainability. We've been doing it for years, right, around human rights, around carbon foot printing and many other elements of sustainability. Martin actually lead – Martin's team lead that supplier engagement, supplier auditing practice.

And I think, to be honest with you, our customers are absolutely with us in terms of what they're trying to achieve too. So, I think we've learned here that it's an old mental model to think about it in trade-off terms.

**Kate Cawley:** Yeah. I mean, does anybody else want to jump in there or?

**Emma Hynes:** I mean, Kate, I think the one thing I would add to Patrick's pretty comprehensive response to that is, you know, we are focused on progressing to an ever more sustainable model. And for us, that's about making sure that Greencore is around in the future. The momentum is there in the customer sesh[?] and in the stakeholder sesh[?]. And actually, we have been doing it with our suppliers for a long time, you know?

So it is about looking from farm to table, the whole way through the value chain and making sure that is sustainable. But if we're not doing that, then there's a risk to us in terms of, you know, security of supply and sourcing in the future. So, it's the right thing to do for the business as well.



**Kate Cawley:** Yeah. I mean, we have actually had a question come in now. What – I mean, is there anything that the UK government can do at an industry level to kind of – for Greencore specifically or your sector to kind of help decarbonise, achieve that net-zero goal? Is there anything that you'd like to see more of?

**Patrick Coveney:** I might draw Martin in there, Kate, just to give a reflection on the nature of the recycling infrastructure in the UK and how we interface with that and whether there could be more commonality across different regions. But Martin, do you want to touch on that in terms of the substance of what recyclability really is and as it relates to packaging and food?

**Martin Ford:** Yes, thanks, Patrick. So, I think there's – clearly, we developed a recycling – a recyclable sandwich skillet. There is definitely some concerns about what will actually happen to that product as it goes through the supply chain after somebody's eaten it. And I think more support in terms of making sure the recycling infrastructure is there so that, you know, recyclable bins in public places are actually identified as being able to be recycled would be really beneficial for us. And you know, consistent approach on food waste and household collection would have a big impact on the whole carbon footprint across the UK as well.

So, definitely more to do. And I know that, you know, we've signed up to step up to the plate with the government and that was a big part of the process there. And I think probably with everything that's been going COVID-wise, that's fallen a little bit off the radar but I'm sure that will come back over the next few months from Defra.

**Kate Cawley:** Yeah. And then just kind of actually whilst we're talking about products, I know that we've had a few conversations kind of last year when we were building this, Patrick, about the role that you guys can play in delivering a truly kind of sustainable kind of food system and finding that sweet spot between delivering not only sustainable healthy nutritious food but also something – products that are affordable and accessible. So, what are you guys doing around kind of product, nutrition and also sustainable diets, which is a truly divisive issue?

**Patrick Coveney:** Yeah. Well, I might talk a little bit around what we're doing from a taste perspective but ask Clare to pick up on what we're doing to make sure we can deliver affordable solutions because that's a critical task here because, you know, too often actually, particularly, I think, in the early stages of this debate over the last decade, decade and a half, you know, this agenda got focused around what I might characterise as sort of wealthy Guardian-reader types who, you know, were really interested in this. But we're actually pushing to create solutions that would deal with the core task of having nutritionally strong food available to everybody.

So, I mean, you know, we're – we have a – we've got a big focus on freshness. We've got a big focus now on trying to deliver meat alternatives either by having less meat in individual SKUs and innovating in that particular way or by having, you know, tasty and really developing the culinary skills to make – to remove meat and still deliver exceptional taste is a big, big focus of our development team.

The last thing I would say, you know, on this is that for all sorts of related reasons going back to the kind of supply chain integrity and traceability concerns that would have been around in, you know, seven or eight years ago when the horse meat scandal came up through Brexit and other things, we are seeing a shortening of this supply chain with a greater focus on local sourcing, a greater focus on British ingredients coming into our products.

And that has all sorts of knock-on benefits, you know, partly for climate, partly for communities but also for knowledge of and understanding of food, which is very important too. But if it's okay, Kate, I might just ask Clare to pick up on what we're doing in terms of efficiency so we can make this food available to everybody?

**Clare Evans:** Yeah. I mean, I've mentioned before our Greencore manufacturing excellence programme, which we launched in 2017 which was all about, you know, having a very robust annual cycle, which allowed us to continuously, year after year, drive cost through becoming more efficient and reducing and improving yields within our production process.

We did realise after 18 months of that programme that we'd have to go even further. And you know, we've been quite public around our commitment to launch some innovative automation solutions particularly in our food-to-go processes. And this has been, you know, having to come up with first-to-market robotic solutions, which will allow us to continually drive down cost within our manufacturing process. And I'm delighted to say that, you know, we are making really, really strong progress in this and we have got robots, you know, up and running and working in our factories.

So, you know, this is a continuous cycle and a continuous programme. And it will be a combination of improving our processes, systems and controls alongside our capital automation programme.

**Kate Cawley:** Yeah. And just while we're on kind of factories and your kind of efficiencies, obviously, you are very much a people-focused business and we've had a couple of questions in on how you're going to kind of plug the skills gap on net zero and how you're going to engage your teams to kind of become climate smart, I guess. Is there a kind of plan in place there kind of beyond your guys' expertise?

**Clare Evans:** Yeah. I mean, I guess there's a couple of things here. The first is we need to make sure that, you know, sustainability isn't just within the sustainability team. We've talked about that being very much a business commitment. And therefore, the way we're bringing this to life within our teams is, you know, firstly through our DME[?] meetings. So, they work really closely with our site environmental teams around all aspects of energy reduction and food waste reduction.

But we've also invested in new central teams that can really help us move on this agenda when we're thinking about coming up with more innovative new solutions that are perhaps not out there at the moment. And this is the approach we've taken in automation but it's the same approach we've taken with our engineering and environmental teams as well, which are not site-based. So they do have a bit more time and expertise to be able to focus on some of the really big game-changing activities.

And I know Martin's also got some good examples of this that you might just want to bring in.

**Kate Cawley:** Over to you, Martin.

**Martin Ford:** Thank you. So, I think we've extended our sustainability team and we've brought in experts on human rights, Mel Miles, for example. And we've just appointed a new project manager on sustainability to kind of help support the delivery of all the projects we've got ongoing and make sure we're doing that with the correct engagement across the business effectively.

We are also using experts externally. So, we're not, you know, none of us can be experts in everything. And so we do utilise consultancies where we need to. So for example on the Science Based Targets initiative work we're doing, we've got consultants involved in that. But I think just to reiterate, again, just the kind of engagement we're getting from the Greencore teams at all levels is really positive.

So for example, we've set up a small working group on Chinese supply from a human rights perspective two or three months ago. And we, you know, had volunteers to join that. And just seeing everybody's commitment from a purchasing, commercial point of view to deliver that. And as a result of that, we've got a really – we really delved into the risks we have. We've resolved the risks. We've informed all our customers. We've resolved those risks. So, I think we are spreading the knowledge and we are spreading the skills across the business.

**Kate Cawley:** Yeah. I mean, it's an incredibly powerful mission-based approach, isn't it, really? And I think people fundamentally want to work for a business that's on the right side of history like why wouldn't you? And it's surely got to be quite a – this kind of doing well by doing good has got to give you a real edge in the race of kind of attracting top talent, I'd imagine. I don't know whether – who'd want to pick that up but obviously Clare, for you, attracting talent into your kind of team must be a key focus for you.

**Clare Evans:** Yeah, absolutely. And particularly when we're attracting graduates and apprentices, you know, we've just had a new intake. And in our induction that we had with them, I would say around 60% of the questions that we had were around –

**Kate Cawley:** Yeah.

**Clare Evans:** – our sustainability strategy. You know, it's personally really, really important to them. So, you know, if we are going to attract new talent and particularly young talent, you know this is really important to them in making a decision about who they're going to work with and have a career with longer term.

**Kate Cawley:** Yeah, no, absolutely. And I think it is also then going to the end consumer, your future consumer. People genuinely want to know now who's making their food, who are they buying from, you know, what kind of positive impact can they have with their purchase decisions. So, yeah, definitely so many kind of positive benefits.

Today, and we are nearly running out of time but today, obviously, is focusing on the environmental part. But we have had a couple of questions in on the community. So, then if you just want to answer, you know, a quick – Andy, do you want to talk about the community pillar and what your kind of – how you're going to report on that is actually a question because obviously, it's the – of the ESG, the kind of social side has become a lot more prominent with the kind of experiences of the pandemic.

**Andy Wright:** Yeah. I think historically, we've always been really active in the local communities that we work within. But I suppose what we've noticed is that we've got lots of pockets of activity in our manufacturing sites around the UK. And what we really wanted to do is to be able to join the hub into something bigger, something that we can get our hands around a little bit more. But also, we can measure as well, and I think in ESG terms, measuring social impact is a lot harder than it is measuring –

**Kate Cawley:** [Inaudible].

**Andy Wright:** [Inaudible] but it doesn't have a kilowatt after it. So, one of the things that we're looking at is a platform with a great business called Neighbourly that we're hopefully going to be trialling later this year, which effectively helps team up our sites with really great community-based programmes that we're going to kind of focus around food in its fullness and those programmes that we can deliver on a local basis. And we think that Neighbourly can really help kind of super charge that activity.

**Kate Cawley:** Absolutely. And actually, we had a question in which is actually obviously, you're – how you're going to engage with your internal teams. But actually, have you got any strategies or thoughts in place how you can engage with the kind of end consumer and on-pack labelling or any kind of more kind of overt consumer interaction? I don't know whether Andy, you want to...

**Patrick Coveney:** Yeah, I'm going to pick that up. I mean, the –

**Kate Cawley:** Okay.

**Patrick Coveney:** – let's be clear on the core of our business, which is we're a business-to-business business. And we are – the way in which we connect with consumers is through our customers and through the brands of our customers. So, we have an extraordinary level of dialogue ongoing with our, you know, with our retail and food service customers. And they're all over this, right, which is around labelling, consumer activation, consumer engagement and bringing sustainability to life for consumers as, you know, partly because then consumers want it.

You know, so this – the way, you know, we've got a happy kind of coincidence here of – or concurrence of, you know, businesses really getting after this but playing into consumers who want it too. And so that's how that's been done.

**Kate Cawley:** Okay. Martin, you want to jump in or?

**Martin Ford:** I think we do it where we need to. So, I would say on the sandwich skillet, again, that we would be doing some of our own consumer research to see exactly what options we're looking at and how they might be perceived. So, we've founded discussion this morning about potentially some more work in that area. So, as needed, I would say, Kate, from my perspective.

**Kate Cawley:** Yeah, okay. I've got a couple of more minutes left, I think. We are slightly overrunning but tonnes of questions. So, I just want to ask, as we've had a few in, I want to cover this off. So Andy, how you – will you ensure kind of transparent measurement and kind of keeping all key stakeholders up to date on performance?

**Andy Wright:** So, obviously, in November, we launched a GRI-compliant report and we'll continue to do that year-after-year. The data within there is really important to us. Our governance structure internally helps make sure that the data is really robust. And yeah, we published everything we were able to – across a kind of a whole range of material issues.

I suppose on that as well, we also did our materiality assessment this year in terms of what are the key issues that are relevant to us as a business. And again, in terms of our engagement with stakeholders, we'll repeat that process. I think we've committed to do that every two years rather than every year but repeating the process in terms of what are those key issues that are really important to us as a business.

**Kate Cawley:** Thank you. And we've just got a couple of questions, which I don't think I could ignore actually because it is about the kind of that [inaudible] new[?] frontier scope three, and how you're getting on with that, but actually fundamentally, how are you going to bring suppliers on, on your kind of net-zero journey?

**Andy Wright:** Yeah. Well, there are some very specific things that we're doing with suppliers. We are in the process of writing a supplier code of conduct that will detail some specific asks off suppliers. We have a supplier conference in a couple of months' time that we will be being really clear with suppliers in terms of what our ask is.

But I think to some degree, when it comes to scope three, we don't need to lose sight of what those big issues are. We don't need to spend ten years measuring our supply chain in infinite detail to come back to the same conclusion. We kind of know where the hotspots are already.

**Kate Cawley:** Yeah.

**Andy Wright:** And we need to get after those hotspots in a big way.

**Kate Cawley:** Yeah, no, absolutely, absolutely. So, we probably got time for one more question, I think. And I'll probably aim this at you, Patrick, so you can then wrap up. Feels right; it started with you. So, you've got a really robust internal strategy and you really invested in the governance side, which is really important to kind of help you deliver on this. But kind of looking outwards, and you do have it as a call out within your strategy about using your voice for good, using your kind of influence and scale. So, are you kind of – how are you going to bring other players along with you because I know we've had these conversations. There are no winners or losers in climate change. We either all win or we all lose. So, where do you see your role there for kind of influence and scale?

**Patrick Coveney:** Yeah. I mean, I think we do have a role in advocacy both individually with some of the industry bodies that, you know, people like Martin and myself in particular represent Greencore in. But also, in the – particularly the ongoing dialogue we have with customers where we're able to make decisions about supply chains, make decisions around innovation agenda, make decisions around packaging, make decisions around how – around shelf life of product and what gets done with products that go out of life and so forth.

So, I think there are – you know, this is fundamentally about us building tremendous momentum on the things we can directly control but also influencing the other stakeholders in the food chain in all sorts of ways to, you know, help deliver on the objectives that we have. But what's, I think, helpful here, Kate, is also, you know, as I think about, you know, all of those other stakeholders have objectives in relation to sustainability too, right? So, we've got to get after it together and I am – and I think we can would be how I describe it.

So, I might use that just to finish as you invited me to. So, first of all, I do want to very briefly thank a number of people for put – putting this together. It's been a new departure for Greencore. Kate, you're one such person. Thank you for facilitating this in – in such an engaging way and also for the content leadership that you've brought to us over the course of the last 18 months or so.

To the team on the call, all of them, and to some people who aren't on the call, people like Jolene Gacquin and others who'd been really working on this area. So, it's a real – Helen Rose,

who, you know, was able to participate in the presentation but didn't join us in the call. So, you know, we're in this together. We've got lots of people working on it.

And if could just then just finally say, I hope and it was one of the objectives I set out at the beginning, that this was a real step in by us in terms of to our capital markets stakeholders in terms of what we are doing in this area. We would love to get feedback from it. We're in the business of trying to improve and do more. And Jack Gorman, who would be known to, you know, to all of the investors and equity analysts who are on this call, you know, Jack is the reference point for getting further questions, getting feedback and then feeding back into – to the rest of us to really build momentum here. So, it's been a really enjoyable hour and a half for me and the team. Thank you to everyone for joining and stay safe, stay well and we look forward to talking soon. Bye-bye.

**Speaker:** Okay, everyone...

[END OF TRANSCRIPT]