

Strategy in action



Differentiation

The key elements of our Differentiation pillar – People at the Core, Sustainability, Great Food and Excellence – are what make us different and what drives our strategy.

“We remain deeply committed to investing in our people, so that they can bring out the best in themselves. We pride ourselves on providing an inclusive work culture where employees can realise their potential through continuous learning and development.”



People at the Core

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

The Group appointed a Non-Executive Director with responsibility for engagement with the Group's workforce (a 'Workforce Engagement Director') with effect from FY20. The role of the Workforce Engagement Director is to ensure that there is effective engagement between the Board and our colleagues and that the Board receives, understands and considers the views of our colleagues. Sly Bailey is our Workforce Engagement Director and further information about her role and activities over the course of FY20 can be found in the Directors' Report (pages 80 to 81).

We remain deeply committed to investing in our people, so that they can bring out the best in themselves. We pride ourselves on providing an inclusive work culture where employees can realise their potential through continuous learning and development. This will ultimately support greater social mobility and career progression.

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

As part of our commitments around purpose, we plan to launch an employee share scheme in which our colleagues will be given the opportunity to own shares in the business. We hope that by sharing in the benefits and profits of Greencore, our colleagues will feel a greater sense of commitment, ownership and pride in what we are trying to achieve with our purpose and sustainability ambitions.

Our people strategy is built around three pillars:

- Embedding a safety culture;
- Inspiring leadership; and
- Building engaging and effective teams.

The people strategy is led by our Chief People Officer and is integrated across all our core business functions and teams.

Embedding a safety culture

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

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



Strategy in action

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Ewelina keeps her eye on safety as much as schedules

every day

Accident Incident Rate per 100 employees

0.50

(FY19: 0.52)

Ewelina Kuzbicka is part of a team of coordinators who keep our assembly lines running swiftly. However, speed is nothing without safety which is why she also looks after our people.

The health, safety and wellbeing of our people is of paramount importance. Our success depends on the trust they place in us to provide a safe and stimulating working environment.

Our health and safety performance metrics continue to show good improvement with the average Accident Incidence Rate per 100 employees in the UK reducing from 0.52 in FY19 to 0.50 in FY20.

“We prioritise the health and wellbeing of our colleagues and we have implemented a three-year health and wellbeing strategy. This has proved invaluable in proactively addressing some of the mental health challenges that arise for our colleagues.”

Progress to date

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

This year we developed a new health and safety strategy, built around five pillars. Each pillar comes with clear priorities for action and measures of success and is underpinned by a set of robust processes, procedures and audits together with ongoing colleague supervision and training across all our sites. The pillars are as follows:

Standards

To create common ways of working to achieve sustainable results.

People

To provide a framework to keep people safe and healthy.

Leadership

To drive accountability, ownership and responsibility at the right levels.

Culture

To create trust and openness to foster a resilient and sustainable approach.

Governance

To establish an effective validation process to enable continual improvement.

Under our new health and safety strategy, we continue to make good progress in reducing risk and accident rates. Our average Accident Incidence Rate per 100 employees in the UK has reduced from 0.52 in FY19 to 0.50 in FY20. In addition to the improved health and safety systems, we have further improved occupational health systems in place for all our manufacturing sites and have continued to increase investment in health and wellbeing. These improvements are supported by our new 'Hearts and Minds' programme, which will help deepen our understanding of safety culture at each of our sites.

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

Our Chief Operating Officer and our Director of Health, Safety and Environment are responsible for the overall delivery of our health and safety strategy. Performance against the strategy is reviewed and monitored by our Group Leadership Team and our Health and Safety Compliance Manager, and is also subject to regular review and external auditing across our business units.

We also monitor the health of our colleagues through our health surveillance programme. To help inform this programme, each of our sites has an occupational health advisor to undertake inspection and audit work. Our physical surveillance programme has reduced due to COVID-19 limitations, however, we have put in place alternative measures such

as paper-based questionnaires to replace face-to-face medical screening, and have medically agreed procedures to complete face-to-face consultations in a COVID-19 secure way.

We prioritise the health and wellbeing of our colleagues and we have implemented a three-year health and wellbeing strategy. This has proved invaluable in proactively addressing some of the mental health challenges that arise for our colleagues, including challenges that have arisen because of COVID-19, for furloughed employees, home workers and those who are working at our sites throughout the pandemic.

Future ambition

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

Inspiring leadership

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

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

Strategy in action

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Progress to date

The Internal Progression Rate is a useful measure to assess this development and measures the proportion of vacant roles filled by internal candidates. This metric increased by seven percentage points in FY20 to 43%, indicating an increased capability and willingness on the part of our colleagues to develop their careers and responsibilities.

During FY20, we continued to support the development of our colleagues further with our performance and career development tool, 'Grow with Greencore'. This tool has helped to enhance colleague confidence and positivity levels relating to personal development (by 10%) and career progression (by 8%), as measured by our FY20 employee engagement survey.

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

We continued to roll out our Line Manager Framework programme to develop leadership skills and capabilities for our management teams, while we also launched a new Line Coordinator Framework programme for 1,000 of our frontline team leaders.

Through our business ethics approach, we are committed to conducting our business with the highest level of honesty and integrity. We continue to manage and evaluate our approach to business ethics through internal audits that comprise site visits, staff training, and financial due diligence.

We have a zero-tolerance approach to areas such as bribery, corruption and fraud. We expect our colleagues, partners, suppliers, customers and contractors to act in a way that upholds our commitment to integrity. In addition, we have multiple system mechanisms in place that enable staff or stakeholders to raise any issues relating to our business ethics approach, including an anonymous, independently-run whistleblowing hotline.

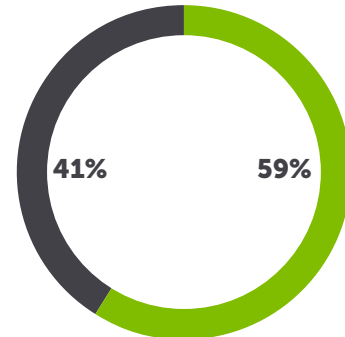
Future ambition

To support the increase in automation across our manufacturing sites, we are developing our first engineering apprenticeship scheme to help secure the future technology skills we need.

Building engaging and effective teams

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

Gender diversity across the business



We are committed to being an employer of choice and our employee engagement has improved consistently over the past three years. We pride ourselves on our gender diversity mix. Our male-to-female percentage ratio is 59/41 across the business, 50/50 at Board level and 50/50 at executive team level.

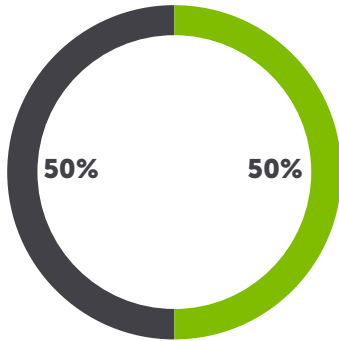
We look to improve our recruitment and retention rates by offering sustainable and rewarding career choices for our people. We also recognise that our dependence on agency workers carries potential impacts for the labour market in terms of job insecurity, earning capacity and local economic growth. During FY20, we transferred a number of agency staff to Greencore contracts, guaranteeing a minimum working week and an opportunity to progress their career.

Progress to date

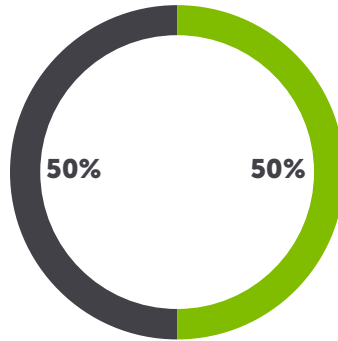
We are proud that our workplace attracts a diverse mix of people both in terms of gender and ethnicity and generates equal opportunities for everyone regardless of gender, age, race, disability or sexual orientation. We do not tolerate any discriminatory behaviour or attitudes and that extends to pay,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

Our colleague induction process now covers the Code of Ethics and Business Conduct and its variety of ethical topics including discrimination, and we look to reinforce this through employment codes and standards. Diversity and inclusion are built into our core policies and procedures which are regularly reviewed and refined in accordance with legislation.

Gender diversity at Board level



Gender diversity at executive level



● Female ● Male

We measure how well we are engaging with our colleagues through our annual 'People at the Core' employee engagement survey. For the past two years we have partnered with an external agency to gather deeper insights from this process, which has enabled us to benchmark our performance in this area against our peers. More than 9,200 of our colleagues (80%) participated in the latest survey. Our general engagement rate has also increased from 66% in FY19 to 69% in FY20. Our engagement rates are based on a question set that measures an employee's sense of belonging in Greencore.

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

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

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

Future ambition

Diversity of gender, social and ethnic backgrounds, cognitive and personal strengths, as well as equal opportunities continue to be a high priority for Greencore. We are using our Group People Plan to further understand our cultural environment and footprint. As part of this, we intend to develop our Diversity and Inclusion Policy and Group initiatives further, specifically in the context of ethnic and social diversity, to ensure that we have appropriate ambitions and goals in place. We intend to report on our progress in this regard in the FY21 Annual Report and Financial Statements.

We are also looking to strengthen our employee engagement efforts, including the development of a flexible working approach to support colleagues who may wish to exercise greater flexibility over the hours they work, or where they work from. This will help us to both improve retention rates and attract a wider recruitment pool going forward. In addition, we plan to introduce an organisational-wide approach to employee forums which will enable us to listen and respond to colleagues.

We are also stepping up the level of development for everyone who works for Greencore, so that every salaried colleague who works for the Group will have a personal development plan.



Strategy in action

Differentiation



Sustainability

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

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

In our Sustainability Report 2020, released separately to this report, we outline our new strategy in detail. We aim to lead the sustainability agenda for our sector. This means being agile in our approach so our strategy can evolve and respond quickly in this fast-changing landscape. We need to accelerate progress, and close the 'intention-action' gap between what we say and what we do. This will ensure our leadership position remains credible. We have set a series of aspirational goals to reflect our long term ambition. These goals are underpinned by initial milestone targets, to help align and mobilise our colleagues around our new strategy. The milestone approach builds in the short term actions we need to take as we embark on this journey, but also gives us the flexibility to adapt and respond to change, whilst not diverting from our ambition.

We are creating a detailed roadmap with additional action plans and milestone targets through our sustainability governance structure. The roadmap will be reviewed annually and we will report on our progress in our Sustainability Report 2021.

Helen Rose has been appointed as Greencore's Sustainability Engagement Director. As part of this role, Helen will review the Group's sustainability objectives, procedures and performance, and act as a source of guidance and support for the Group technical function in relation to sustainability matters.

I'm delighted to have taken up the role as Sustainability Engagement Director. My focus is on supporting the team to ensure we have robust governance, data and reporting systems in place. This will help ensure that we can deliver against our sustainability strategy so we can make the biggest difference possible. I will also be keeping my Board colleagues up to date on our sustainability agenda.

It is great to see that the priorities we have developed were informed by consultation with all our stakeholders. We need to listen to a variety of voices, not just inside the Group, but outside of it too. This is fundamental to building a prosperous, long term future for Greencore – and it must be one that meets society's expectations too, especially when it comes to mitigating our impacts.

It's important that our sustainability efforts help drive our overall purpose, 'Making every day taste better', so we have aligned the two approaches to ensure that happens. By doing this, we hope to inspire and empower our people to care about the impact we have on the wider world every day. We plan to use our new corporate purpose and sustainability strategy to help people understand and enjoy food in a way that enhances their health and wellbeing while inspiring their passion for a better world.

Historically, sustainability was pushed to the back of the corporate agenda by many businesses because it was considered

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

Communicating our strategy, targets and plans with transparency is key. This will present a challenge as progress won't be linear, and there will be bumps in the road. We will not make progress alone, but by collaborating across our industry and beyond. If we are clear in how we communicate our goals and build a track record of delivery, then we will stand out.

We are confident we can 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 for the future.

Helen Rose
Sustainability Engagement Director
23 November 2020

“Sustainability for us is grounded in substance – not slogans or soundbites.”

Read our **Sustainability Report 2020** at [makingeverydaytastebetter.com](https://www.makingeverydaytastebetter.com)

Our sustainability ambition

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

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

By 2030 we will be a business that...
will source every ingredient from a sustainable and fair supply chain.



Sourcing with
Integrity

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



Making with
Care

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



Feeding with
Pride

People at the
Core

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

Strategy in action

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Our sustainability strategy

Sourcing with Integrity



Why it matters

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

Our ambition

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



Making with Care



Why it matters

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

Our ambition

Making with Care will help us raise the bar when it comes to taking climate action, especially on manufacturing resource efficiency, food waste and packaging. Our ambition is to operate with net zero emissions by 2040. By using our resources more intelligently and extracting greater value from our food waste, we can decarbonise our operations, drive new product development and innovation, and reap cost benefits along the way. We supply approximately two-thirds of all supermarket sandwiches in the UK and remain committed to making food to go packaging easier to recycle at home or in the workplace.

Feeding with Pride



Why it matters

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

Our ambition

Feeding with Pride will help focus our ability to rethink how our products and actions can contribute to a better world. Our aspirational goal is to increase our positive impact on society through our products and community engagement by 2030. We want to deliver great products that help alleviate some of the biggest social challenges people face in accessing fresh, nutritious food. Working with our customers and suppliers, we can better support the redistribution of unsold food to benefit more communities in need. We also want to take a more coordinated approach to our own community strategy to improve the quality of life for people that live close to our facilities.

Making every day taste *better*

Delivering Sourcing with Integrity

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

How we will get there

- By 2021, we will set an externally verified carbon reduction Science Based Target ('SBT') which includes our indirect Scope 3 emissions.
- By 2025, our supply chain will be 100% deforestation free.
- By 2030, 100% of our priority raw materials will be sustainably sourced.

Mapping our plans to the UN Sustainable Development Goals



Delivering Making with Care

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



How we will get there

- By 2025, we will ensure that all of our packaging is recyclable, reusable or compostable and we will eliminate single use plastics across our business.
- By 2030, we will reduce our food waste by 50%.
- By 2030, we will achieve our SBT, reducing our Scope 1 and 2 carbon emissions.

Mapping our plans to the UN Sustainable Development Goals



Delivering Feeding with Pride

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

How we will get there

- By 2022, we will ensure 100% of surplus product is donated to our communities.
- By 2025, we will have increased our positive impact on the communities in which we operate in.
- By 2030, we will have achieved parity on our product development of animal protein versus plant-rich alternatives.

Mapping our plans to the UN Sustainable Development Goals



Strategy in action

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Managing our impact

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

Our materiality stakeholder engagement process helped us to identify a list of material issues that are important for our business and stakeholders.

To help underpin our sustainability strategy, each material issue has been considered in relation its economic, social and environmental impacts. We have developed a material impact matrix (see page 43), which enables us to:

Align material topics to our sustainability strategy.

Analyse the implications for our sustainability strategy and overall business model.

Identify future projects and actions which should be undertaken.

Our materiality process

Our stakeholder materiality engagement process consisted of a quantitative stage (Phase One) followed by a qualitative stage (Phase Two). Phase One comprised of a materiality survey to identify the material issues and reporting topics. This was completed by 71 stakeholders from the following groups: investors, customers, suppliers, the Board, Group Leadership Team, non-governmental organisations ('NGOs'), community and academic partners. Phase Two involved a series of interviews to gain a deeper insight into the material issues which had been identified. The output from both phases helped to inform our sustainability strategy.

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



Materiality Matrix



The issues are ranked as follows:

Highly material

- Climate change
- Food safety

Material

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

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

- Water stewardship
- Employee pay and benefits
- Diversity and inclusion

Strategy in action

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Performance data

Full disclosure of our sustainability performance is contained within our Sustainability Report 2020, which we have developed in line with Global Reporting Initiative ('GRI') sustainability reporting guidelines. Our Sustainability Report 2020 has been prepared in accordance with the core option of the GRI Standards.

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



Carbon and greenhouse gas emissions

Reducing greenhouse gas ('GHG') emissions from our direct and indirect operations will help us transition towards a net zero future in line with the goals of the 2015 Paris Agreement. Our emissions reduction work is focused on energy efficiency. We can reduce our Scope 1 and Scope 2 greenhouse gas emissions by becoming more energy efficient and increasing our uptake of renewables.

Impacts of COVID-19

During the last financial year, a reduction in production volume and a change in the mix of products we produce have had a significant impact on manufacturing efficiency and the key performance indicators we track. The relationship between energy use and production is heavily influenced by a high base load.

Our manufacturing sites have a significant base load of electricity, gas and water usage, irrespective of production volume. Refrigeration, lighting, hot water heating and hygiene cleaning all continues at the same intensity regardless of changes in production.

Annual GHG emissions (tonnes CO₂e)*

Emissions from Absolute Group GHGs:	FY20	FY19
Combustion of fuel and operation of facilities (Scope 1)	60,105	61,000
Electricity, heat, steam and cooling purchased for own use (Scope 2)	24,952	28,670
Total gross emissions (tCO₂e) Scope 1 and 2	85,057	89,670
Green tariff	-24,839	-28,640
Total net emissions (Scope 1 and 2)	60,218	61,030
Ratio (kgCO ₂ e/£1 sales revenue)	0.067	0.062

* Greenhouse gas emissions data is taken from total Group operations for the UK and Ireland. Our UK based GHG emissions account for 99.66% of the total gross emissions (tCO₂e). Our GHG emissions have been calculated using the GHG Protocol Corporate Accounting and Reporting Standard, and emissions factors from DEFRA's UK Government GHG conversion factors for company reporting (where factors have not been provided directly by a supplier). Prior year numbers have been adjusted since last year's report to reflect minor amendments.

Annual energy consumption*

Emissions from:	FY20	FY19
Total fuel consumption (MWh)	281,151	290,143
Total fuel consumption from renewable sources (MWh)	2,416	1,045
Total electricity consumption (MWh)	107,582	108,074
Total energy consumption (MWh)	391,149	399,262

* Total energy consumption in MWh was calculated from primary consumption data, using standard conversion factors from the UK government GHG Conversion Factors for Company Reporting 2020. The data was collated specifically for the Annual Report. Energy consumption data is for UK and Ireland operations.

Key Performance Indicators (for manufacturing only)

Emissions from:	FY20	FY19
Total primary energy consumption (MWhp)	453,262	467,617
Energy ratio (kWhp/tonne)	1,258	1,235
Water consumption (m ³)	2,275,462	2,255,366
Water per tonne of production (m³/tonne)*	6.32	5.96

* Prior year numbers have been adjusted since last year's report to reflect minor amendments.

Energy efficiency measures

To support our energy reduction goals, all of our manufacturing sites have energy efficiency targets and are subject to Energy Savings Opportunity Scheme ('ESOS') compliant energy audits. We have developed an internal best practice guide in association with an ESOS lead assessor to encourage smarter decision-making across our manufacturing sites relating to best available technology, new equipment specification and optimisation of existing equipment.

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

We have completed energy saving projects in relation to gas saving measures on thermal insulation and the optimisation of boilers and other gas fired equipment to deliver an annual saving of 5,228,421 kWh. In addition, we have completed electricity saving measures on compressed air generation and consumption, refrigeration system optimisation and energy efficient lighting to deliver an annual saving of 1,601,296 kWh.

Climate related risk

In addition to mitigating our impact on the climate, we must also consider the risk of climate impact upon our business. The Task Force on Climate related Financial Disclosures ('TCFD') provides recommendations on the disclosure of climate related risks and opportunities. Our work on climate related risk in our supply chain has begun and going forward we intend to build scenario analysis into our impact assessments and report more fully on climate related risk in future reports, including potential manufacturing impacts (for example, electricity, fuel and distribution price rises) and raw material impacts (for example, raw material price rises and limits to supply as a result of drought).

Food waste

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

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

As a UN SDG Friends of Champions 12.3 signatory, we have committed to a 50% absolute reduction in food waste by 2030, compared to a 2017 baseline year. Our overall food waste figure is reducing year on year and we are making good progress towards this target.

Our effort to increase food surplus sent for redistribution has been significant, although our overall redistribution figures have decreased year on year as a direct impact of COVID-19, including site shut downs, reduced volumes and product range resets.

Food waste and surplus data

	FY20 tonnes	FY19 tonnes
Food waste	33,636	35,840
Animal feed	3,881	4,454
Redistribution	669	950
Food waste as a % total food handled*	8.4%	8.5%

* Updated method of reporting to reflect new WRAP guidance (2020) for reporting food waste, as a percentage of total food handled (not just production).

Read our **Sustainability Report 2020** at www.makeeverydaytastebetter.com

Food waste as a % total food handled

8.4%

By 2030, we have committed to an absolute food waste reduction of

50%



Strategy in action
Differentiation



Great Food

Throughout FY20, we have continued to deliver our Great Food agenda, despite the challenges of the COVID-19 disruption. This year, we launched more than 700 new stock keeping units ('SKUs') across our portfolio.

We were also pleased to secure 'Great Taste' awards for three different products across two different customers.

We have also continued to evolve our technical and food safety agenda throughout the year, with a particular focus on reinforcing our governance, continued innovation and ongoing supplier engagement.

This year, we have consolidated and strengthened our governance process for technical standards, adopting three lines of defence, based upon: (i) ensuring the right structures and management are in place to drive the right outcomes; (ii) rigorous internal reporting, review and audit; and (iii) external accreditation and customer audit. This structure is biased towards early detection and intervention and is supported by regular site-specific risk assessments. We are proud that all of our sites that were subject to unannounced audits in FY20 achieved BRC AA+ or A+ accreditation for the second consecutive year.

We also enhanced our focus on ethical sourcing in FY20. We completed a comprehensive risk assessment to identify areas of risk in raw material sourcing and implemented prioritised action plans to mitigate these risks. Testing and verification trace audits were conducted continually throughout the year and we have also engaged further with the independent testing laboratory Food Forensics to provide an independent review in this area, focusing on raw material risk and fraud. Throughout the year, we have completed over 100 supplier visits or audits, while our Subject Matter Experts ('SMEs') in protein, cereal, produce and dairy have driven further enhancements in supply chain transparency.

We have also continued to enhance our raw material management processes throughout FY20. For example, we now have lettuce, fresh herbs and watercress all being supplied through hydroponic supplier partnerships, which reduces contaminant risk and water usage, while offering an efficient production alternative to traditional growing.

In addition, we have developed a transparent, end to end route to market for dried spices, shelf life improvements on sandwiches with packaging and ingredient delivery, softer and more resilient sliced bread, flexible wraps, high dry matter tomatoes and a step change in gluten-free bread quality.



Producing healthier, affordable, sustainable food

We believe that maintaining world-class food safety standards should go hand in hand with technical excellence. That means sourcing the best ingredients and delivering the best nutritional value we can at competitive price points for our consumers.

We aim to refine this work so that, by 2030, each of our core product categories will be built around three key values – health, affordability and sustainability.

Our key focus areas of people, innovation, allergens and consistency form the basis of our technical excellence work and foundation for strong food safety.

Number of new recipes we produced in FY20

>700



Supplier audits completed by Greencore in FY20

119



Strategy in action

Differentiation



Excellence

We aspire to excellence across our commercial and operational models. We develop and codify distinctive and repeatable ways of working as 'Excellence' programmes, and roll these out to existing or newly acquired sites in order to unlock value and create competitive advantage. Throughout FY20, we continued to make good progress on our Greencore Excellence agendas, despite the COVID-19 disruption.

Greencore Manufacturing Excellence ('GME'), now has an in-house team of approximately 50 high-calibre GME managers based across our manufacturing sites with responsibility for identifying and delivering significant operational improvement opportunities, through a combination of optimisation of current process and implementation of new processes, technologies and automation.

During FY20, we launched our innovation and automation programme, with an objective to more effectively manage production and direct labour costs through the development of first to market and industry-leading automation solutions. This programme will simultaneously drive internal efficiencies to help offset labour inflation, and manage labour availability more efficiently over time, particularly against the backdrop of a post-Brexit tightening of the labour market. It will also serve to support social distancing through the COVID-19 disruption.

Our initial focus is on our sandwich sites, with automation designed to provide modular solutions on high speed production lines. Notwithstanding the complexities of designing and testing such solutions in the midst of a global pandemic, we continued to invest in the development of the technology to ensure we had tried and tested solutions. Our plan is to substantially scale up and extend the range of automation solutions across the network in FY21 and beyond.

In parallel, we also continue to progress on our Greencore Purchasing Excellence ('GPE') agenda, investing in people, processes and technology to enhance our sourcing capabilities. We have strengthened our GPE business improvement team, expanding its breadth and capability in order to unlock incremental value opportunities as well as support our ability to maintain supply, with strong commercial governance, but without compromising integrity throughout the COVID-19 pandemic.

We also continue to invest in technology and analytics capability, enabling us to improve forecasting accuracy, identify margin enhancement opportunities and improve traceability. For example, we have co-developed a packaging specification system with an external technology supplier. This will give us greater transparency on the composition of our packaging spend, including the cost, material, recycled content and recyclability components. In doing so, it enables us to both improve our commercial outcomes and support our sustainability goals.

"During FY20 we launched our innovation and automation programme, with an objective to more effectively manage production and direct labour costs through the development of first to market and industry-leading automation solutions."

Number of Greencore Manufacturing Excellence ('GME') managers across our manufacturing sites

c.50



Taking risk out of our supply chain

We are currently working with one of our suppliers that sources hydroponically grown lettuce for our sandwiches and wraps. This results in a cleaner overall crop from a pest and disease perspective with a large reduction in the number of insects and thereby minimising the use of pesticides.

This production method also saves on water, as hydroponics water can be recycled through the process rather than going to waste. Hydroponics ensure good year-round availability of crops and helps us to maintain a consistent quality. Finally, there is a benefit from a microbial-loading perspective that secures the safety of the finished products. In short, hydroponics reduces the risk in our supply chain.



Lettuce usage in FY20 (tonnes)

c.2,000

