

Excellence

We have been steadily investing in and building a suite of best-in-class business systems.

Excellence

KEY DRIVER

WHAT WE HAVE ACHIEVED

Acceleration of Operating Excellence maturity.

Our Operating Brilliance Programme (OBP) journey has continued to progress at pace and is delivering a step change in performance by building people and process capability under a clear purpose banner. The Operating Excellence agenda touches every Operating Principle and is now "The Golden Thread" that runs through the business.

Our business forums have continued to mature over the past 12 months and reach across operations, supply chain and commercial. They are allowing delivery of initiatives which allow leverage of Group scale, for example successfully embedding best-in-class sales and operations planning (S&OP) process and execution.

Continued investment in systems, process and people allowing leverage of scale benefits.

We have been steadily investing in and building a suite of best-in-class business systems, all linked to Power BI, which delivers Group-wide high-quality business intelligence, driving effective decision making and directly influencing our ability to continually improve.

FY22 investment includes:

- Optimity, our supply and demand planning system, which is a key enabler for our strategic goal to move formally to an integrated business planning model.

- Point 74, which will transform our development process and will ensure we have an effective product design framework to deliver profitable growth.
- A Group-wide CMMS roll out has commenced in all bakeries, this is a key element to drive our holistic asset care aspirations, under the OBP banner.

Building business resilience within a challenging landscape and creating a platform for continually improving performance.

Rapid deployment of our Operating Brilliance Programme despite the challenging external environment, has returned gross benefits of £4.5 million in FY22 and we expect these to continue.

We have utilised our strategic supply and customer relationships to manage the impacts of inflationary pressures whilst maintaining a focus on longer-term growth strategic objectives.

Targeted investment in core category areas of buns and rolls and celebration cake have laid the foundations for cost effective growth through enhanced productivity.



FUTURE FOCUS

Our headline future focus is to extend, embed and sustain our Operational Brilliance Programme Group-wide, including interfaces with key customers and suppliers.

The final piece in the best-in-class systems jigsaw is a new HR system, this will be implemented in FY23.

Continued delivery of benefits associated with the Operating Brilliance Programme, with the scale of these increasing as maturity evolves and we broaden the focus enterprise wide.

Specific focus will be on asset care and optimised organisational design in order to support Operational Excellence maturity.

As we continue our journey towards Operating Excellence maturity we will capture, benchmark, and deploy best practice both internally and externally.

Using our business systems framework we will focus on process standardisation and effective use of all key systems and processes. Priority within this will be to streamline data flow, eliminating manual intervention and ensure linkages of key business processes both internally and externally – ultimately to drive value.

Development and deployment of a robust Value Add and Value Engineering strategic programme enabled by a holistic partnership approach with strategic supply and customer base partners.

Implementing the first phase of our sustainable automation strategy to drive enhanced productivity.

INTERNAL KPI

OBP maturity vs. world-class standards.

OTIF of systems integration vs. plan.

% of automated management information KPI.

Value of FY23 OBP benefits.

Growth

Category strategies and targeted category leadership have enabled continued growth across our portfolio.

Growth

KEY DRIVER

Drive growth through a combination of organic growth and targeted acquisitions.

Aim to succeed in both the retail grocery and out-of-home channels in the UK and Europe.

Develop a strong licensed brand portfolio to complement our core retail relationships.

WHAT WE HAVE ACHIEVED

Acquired a further 35% shareholding in Lightbody-Stretz Limited in February 2022 taking our ownership from 50% to 85%, reflecting our investment behind our European growth.

We have worked closely with our foodservice partners to enable a strong post 'lockdown' recovery in our out-of-home. We continued to embed our whole cake strategy and accelerate our small cake performance, led by food to go with our indulgent and plant based snacking offer outperforming the market across grocery and convenience channels.

We have invested in our gluten-free business in the UK and Poland, expanding capacity and capability and driving double-digit growth. In Europe, we have launched our 'Wiso' brand.

Category strategies and targeted category leadership have enabled continued growth across our portfolio in the UK with key grocery partners and across Europe.

We continue to enhance our quality reputation within the market through our category leading NPD expertise and Process Blueprint foundations.

We have continued to drive year on year progress in quality performance with complaint numbers and rates continuing to reduce year on year on a like-for-like basis.

Brilliant NPD in FY22 has ensured that three of the top five celebration cake lines are Finsbury 'owned'; our Xbox product is the fastest growing cake in the market. We continue to hold the broadest license portfolio, which we continually evolve to ensure that we are catering to the diverse range of consumer needs.



FUTURE FOCUS

INTERNAL KPI

We will continue to work collaboratively with our partners to drive growth in our key markets, leveraging our category marketing expertise.

Capitalise on continued rapid growth across our Lightbody Europe subsidiary aligned to our celebration, small cake and Free From category strategies, accelerating progress through

our licensed brand portfolio and a strong innovation pipeline.

Continue to progress our Process Blueprint excellence agenda moving forwards to the next phase where we start to bring in predictive and closed loop quality control elements driven by high-quality management information.

Revenue Growth %.
Market Performance by Category.

Deliver consumer led growth strategies across cake product categories, and focus on targeted bread consumer led growth in both retail and out-of-home markets.

Increase capacity and capability in our strategically important category areas; buns and rolls and celebration cake.

Further development and implementation of our Group Free From strategy to drive growth within the sector by extending reach wider into

speciality bread, morning goods, sweet treat and cake categories.

Continue to drive our best-in-class quality agenda in all key strategic product areas, supported by the implementation of our product lifecycle management system over the course of FY22/FY23. This will deliver right first-time NPD and a more agile response to customers.

Revenue Growth %.
Market Performance by Category.

Deliver a continually evolved and innovation led celebration cake brand portfolio that represents a best-in-category solution for each of our key customer partners.

Broaden our branded small cake offering across differing channels and in new formats.

Look to drive scale of our Wiso brand across Europe leveraging our Lightbody Europe business model to deliver this.

Revenue Growth %.
Market Performance by Category.

Responsibility

We continue to source raw materials to a variety of sustainable and ethical standards, including Fair Trade and Rainforest Alliance.

Responsibility

KEY DRIVER

WHAT WE HAVE ACHIEVED

Treading lightly on the planet.

We have now recruited a dedicated Group Sustainability Manager to work with our business and with our partners throughout our value chain.

Our teams have focused on driving recycling rates and 85% of our waste is now recycled (up from 80% last year) with the balance being used to generate power. We remain a certified zero landfill business.

As part of our commitment to the WRAP objectives on plastic usage, 91% of our packaging is now recyclable.

We have reduced our "Scope 1 and 2" emissions against our 2016 base line by 20%.

We now have live data monitoring systems for electricity use for all our key assets, helping teams to calculate the impact of action in real-time and saving up to 10% of energy usage.

We have converted 90% of our lighting to LED and will complete this in 2022, saving over 260 tonnes of CO₂ per annum.

We continue to source raw materials to a variety of sustainable and ethical standards, including Fair Trade and Rainforest Alliance. Our palm oil adheres to RSPO segregated sustainability standard.

Be recognised as a great place to work.

We continue to drive our "HomeSafe" safety programme and have initiated a culture-based safety improvement programme to support a further improvement in our safety performance.

We have launched our Diversity and Inclusion strategy through a series of policies, campaigns and training programmes to develop awareness and understanding.

We have progressed our Health and Wellbeing and Community Engagement programmes including further developing our partnerships with GroceryAid, to "Gold" partner status, and FareShare at a Group level whilst continuing to support team member nominated charities at a local level.

We have addressed the labour availability challenge via a series of initiatives including exploring new recruitment channels, and mechanisms to engage and retain our existing workforce.

We have further embedded the use of Workplace, our digital communication platform, across the entire workforce – driving engagement step change across the business.

We have continued to further develop key skills and subject matter expertise capability, in addition to investing in graduate talent, apprenticeships and leadership development for the future.



FUTURE FOCUS

We are creating a Supplier Partner Sustainability Forum to work collaboratively on reducing our environmental impact. This will include the measurement of our "Scope" emissions with our key suppliers.

Our Environmental Management System will be aligned and audited in line with ISO14001 standards by 2024.

We will continue to increase the rate of recycling of waste through the training and engagement of our teams, and by applying technology to allow us to optimise performance in this area.

Continue to drive our health and safety performance forwards through engaging our teams in behavioural safety initiatives as part of our "HomeSafe" programme to achieve a healthy and safe workplace.

Be assessed as working in line with ISO45001 by independent bodies for our health and safety management system.

Further develop our Diversity and Inclusion, Health and Wellbeing and Community Engagement programmes with national and local partners.

Automated live usage monitoring will be extended to gas and water to help teams to identify reduction opportunities.

We will continue our journey to our target of reducing emissions in line with the SBTi methodology, aligned with a 1.5C limit to global warming by 2030.

We will continue to work with our supply and customer partners to source raw materials in a sustainable and ethical way.

Deploy our Employee Engagement survey to assess the impact of our Employee Engagement programme and drive continued improvement in our workplace culture.

Actively promote our employer brand to drive engagement across diverse resourcing channels.

Continue to invest in developing key skills and capability as a source of competitive advantage, including graduate talent, apprenticeships and leadership development and develop roles that are more highly skilled and rewarding.

INTERNAL KPI

CO₂ reduction of 58.8% (from 2016 baseline) by 2030.

Waste recycling rates.

Accident frequency rate reduction.

Uptake of Employee Assistance Programme service by 33% over three years.