

24th September 2021

Welcome to our latest news round-up from across the Dignity Group. Can't wait for the next issue? Then go to www.dignityinside.co.uk to see the news, comment and get involved. (P.S. Don't forget to print out a copy for any colleagues who don't have email!)



A STEP TOWARDS DIGNITY'S FUTURE

Organisational restructure is creating new regions and roles.

You'll have read in recent weeks about Dignity's future, our strategic ambitions, and importantly putting our colleagues, those that serve our clients every day, first in all we do.

Gary Channon, our CEO, emphasised the importance of this in his recent message to colleagues and spoke to the importance of empowering our people.

The first step to achieve this is to ensure our colleagues have all the tools they need to do their jobs, with support delivered through central functions.

We've already undertaken a huge exercise to roll out implementation of a new price structure to ensure we can deliver the most competitive prices to our clients. This also coincides with our fulfilment of the CMA obligations, making Dignity regulation-ready across both funeral and crematorium divisions.

We've begun a programme of work to deliver property compliance, a review of our estate and priority investment across the group. And our new guiding Principles are under development, with input from colleagues across all areas of the business.

But we also need to ensure our organisation is structured in a way that maximises the advantages we have as a large nationwide network of funeral homes and crematoria.

The benefit this brings to the communities we serve has been particularly evident during our response to the pandemic, with teams being able to share resources and expertise when needed. We want to keep the energy and momentum behind this going by bringing our organisation closer together.

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A more logical geographical split

We've carried out a review across the organisation to understand if the way Dignity is split into divisions and regions still makes sense at our size and scale.

The first clear assessment was that many resources and colleagues are spread too thinly, across too large an area, to be able to truly localise our service or to nurture an empowered team.

With much data analysis and discussions at a regional level, the Executive Committee (ExCo) can now announce that we will create 12 regions across the group, which can be seen [here](#).

Work towards this is already underway, but an important message is that colleagues in each region will be given more freedom to make positive decisions about their businesses, with the support and assistance of Dignity's central functions.

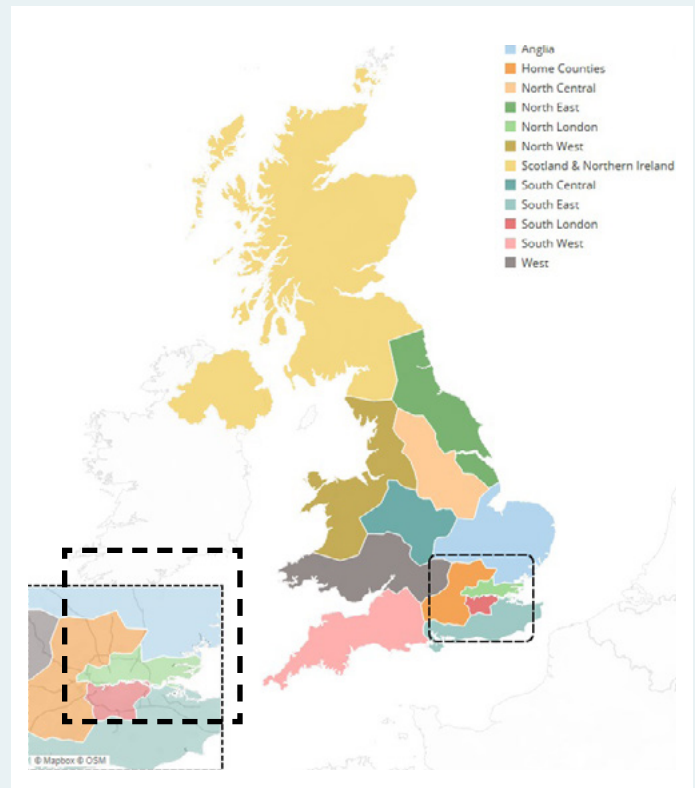
Breaking down barriers

We are also looking at how we can fulfil our ambition to be the best end of life service provider, and to do that we need to break down the historic internal barriers within Dignity, and operate as one company.

We will therefore be bringing our operational teams from at-need funerals and The Crematorium and Memorial Group (CMG) together, ensuring we are maximising the advantage of being a nationwide network to the benefit of our clients.

Your questions answered

Head to [Dignity Inside](#) for newly updated FAQs all about the restructure and expected changes.



The ExCo is pleased to announce that the 12 regions will be shared between Andrew Judd and Steve Gant. Whilst both of our experienced Directors will retain their respective specialisms in funeral operations and crematoria, they will be working closely with our regional teams to ensure we are operating effectively and strategically.

The intention here is to encourage a deeper connection with our crematoria that delivers a better service and transition for clients between our funeral directors to our crematorium. Funeral plans also fit into this customer journey, and is something that will be considered as part of the wider FCA Regulation Programme.

This collaborative, joined-up approach will first be piloted in two new regions: South Central and South London. Piloting is a great way of approaching new systems and ideas, as it means we can learn from them and colleague feedback before we implement changes into the rest of the business.

New Head of Region roles

To support Andrew and Steve in operating our new regions, we have created 12 new Head of Region positions, which we propose removes the existing Regional Manager function in funeral operations.



Crematoria operations, funeral operations and funeral plan services will be combined under the new Heads of Region who will be responsible for creating regional strategies year-on-year, which align to the Dignity plc group strategy, whilst being tailored to specific needs of communities.

New Business Leader roles

Gary and the ExCo have promised you empowerment, and they really mean this. We have reviewed the management structure in our business, with an ambition to have minimal layers between those frontline roles and our Senior Leadership Team.

Whether in funeral operations, manufacturing, our crematoria or the CSC, we want to create a structure that enables a direct line of communication to the new Heads of Regions, or even the CEO.

This means flattening the structure, giving more autonomy to people and teams. To do this, we have created a new Business Leader role.

Business Leaders will have responsibility for running a specific funeral brand or crematorium. We want these colleagues to feel empowered to run their locations as if it were their own business; to grow the reputation and goodwill, to provide excellent localised service to clients, and to deliver against the regional strategy and KPIs for performance and market share.

We propose this new role removes the function of Area Managers, Funeral Managers and Business Managers in funeral operations, and Crematorium Managers in our crematoria teams.

There is a formal process to adhere to, so we have now entered into consultation with impacted colleagues in the Midlands and London regions only. This is because these areas will form the new pilot regions outlined above.

Other regions will follow in due course and colleagues will be notified as to when this is expected to happen. It is important to respect the consultation process and those involved throughout this period.

Business Leader roles will first be recruited for via a closed listing. This means that only those who are impacted by our proposals will be issued with the opportunity to apply for any suitable vacancies in advance of anyone else in the business.

After the closing date if they have chosen not to apply for such vacancies, we will advertise them to the wider business – all are then welcome to apply.

The key message here is that this is not about headcount reduction or cost saving. We are creating an exciting new and strategic role which we hope will appeal to the many talented individuals with proven experience who work across our organisation.

What happens next?

Clearly this is the start of something new, and a significant amount of change. We will all need to learn together as one organisation and as one team.

There is no questioning the passion, resilience and care all of our colleagues across Dignity show to each other and our clients – the past 18 months have proven this during the pandemic. Now is the time to leverage that strength and our learnings, to make Dignity brighter and better.

There will be ample opportunity for everyone to be involved, share ideas, and help make our pilots work. More information about this new structure and what it means for you will be shared in the coming weeks.

ANNOUNCEMENT OF INTERIM RESULTS

A message from Chief Executive
Gary Channon on how we're building a
successful and growing business.



Earlier this week we announced our interim results for the 26 week period ended 25 June 2021.

A copy of the announcement has been posted on Dignity's [corporate website](#), however the financial highlights include:

| | 26 week period ended | |
|---|----------------------|--------------|
| | 25 June 2021 | 26 June 2020 |
| Revenue (£million) | 189.0 | 197.1 |
| Operating profit (£million) | 40.8 | 44.2 |
| Profit/(loss) before tax (£million) | 50.5 | (12.1) |
| Basic earnings/(loss) per share (pence) | 62.4 | (22.6) |
| Cash generated from operations (£million) | 49.0 | 41.8 |
| Number of deaths | 340,000 | 368,000 |

Much has happened during the first half of this financial year, so I wanted to take the opportunity to expand on some of our key achievements and point to what we'll really be focusing on in the months ahead.

We are, of course, still in the midst of a pandemic. COVID-19 has certainly had a bearing on how the business performed, although in a different way to the corresponding six month period from 2020.

We conducted fewer funerals as the death rate reduced in comparison with the first peak, but as restrictions on household mixing and funeral attendance started to ease, we saw our average revenue per funeral increase.

It is our belief that Dignity's market share continued to decline outside of our trial areas and we observed a similar trend in our crematoria. Taken together, operating profit for the first half of 2021 was slightly down, mainly driven by this decline in volume.

As you know, we recently unveiled new services and lowered prices to put ourselves in a more competitive position in the communities we serve.

At the same time, the CMA has introduced remedies to bring transparency to the funerals market, all of which will result in better outcomes for those arranging a funeral at the point of need.

We will be monitoring closely to see what impact this has on our performance and stand ready to make changes in local markets wherever we see opportunities to achieve further improvements.

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Addressing the essentials

I've touched on changes resulting from the CMA, however many other strategic initiatives are also well underway.

Pre-paid funerals are going to be regulated by the Financial Conduct Authority, so we need to submit our application for selling, managing and fulfilling plan products and continue with the extensive preparatory work required.

With compliance secured, our aspiration will be to set the highest standard and lead the way under this new regulatory regime.

Then there are the things we're busy addressing within the business, some of which we've already communicated and others we'll cover in more detail soon.

These include:

- Defining and embedding the principles and values that will shape our culture
- Achieving growth through commercial competitiveness and maximising our resources
- Empowering colleagues by providing the tools to succeed and the authority to act in support of our clients
- Effective use of digital technologies.

We have outlined plans for introducing a new organisational structure, one which plays to our strengths by properly integrating the proven expertise we have within funeral services and crematoria. This will increase the number of regions and create important new roles to drive our strategy forward.

Meanwhile an accelerated programme of investment in our premises has started, initially concentrating on essential maintenance work, followed by facilities for caring for the deceased and then the aesthetics and presentation of our branches.

This will ensure our estate meets the standards our clients expect, plus it's a perfect example of what we mean when we talk about giving you what you need to be at your best and deliver great service.

"Without you working tirelessly to serve the bereaved, we would not have been able to deliver against the increased demand on our services throughout the coronavirus pandemic."

The right direction

While a significant amount of change is clearly happening in all areas of the business, one constant has been your dedication and this is something I genuinely want to thank you for.

I have only been with Dignity a short while, yet I continue to observe demonstrations of commitment and selflessness. Without you working tirelessly to serve the bereaved, we would not have been able to deliver against the increased demand on our services throughout the coronavirus pandemic.

With this in mind, we believe it is important to compensate our frontline colleagues fairly and as a first step we raised our minimum pay to the Living Wage for both permanent and casual employees.

I appreciate change can be unsettling, but hopefully you can see how the extensive planning, analysis and discussion that was taking place earlier in the year is now turning into tangible actions.

We are strengthening our Board with key appointments made during the last six months. John Castagno has taken up the position of Non-Executive Chairman and Dean Moore confirmed his intention to stay with us once a new Chief Financial Officer is appointed.

We have also welcomed Graham Ferguson as a new Non-Executive Director who has considerable experience in finance and execution of growth strategies.

I firmly believe the direction we are on is the right one for achieving the most long term value for our clients and shareholders. Moreover, it will help to create a fulfilling and rewarding place for you, our valued colleagues, to work.

PANDEMIC PLAN REVEALED

The government has presented its strategy to handle COVID-19 during the autumn and winter months.



As a nation, we're learning to live with COVID-19 and formal restrictions have consistently been easing over the course of this year.

Last Tuesday the government unveiled its Autumn and Winter Plan for responding to COVID-19 in England.

The overriding objective is to prepare the country for future challenges, while ensuring the NHS doesn't come under unsustainable pressure.

Tactics are split across Plan A (what the government will do now) and Plan B (what the government might do if the situation escalates).

You can read the document in full [here](#), but in essence it confirms the preferred line of defence going forward will be vaccination rather than local and national lockdowns.

This means rolling out the vaccine to more age groups, including 12 to 15 year olds. There will also be a booster programme offering



"The threat may have diminished, but it definitely hasn't gone away."

selected groups a third dose to help increase protection levels.

What is in Plan B?

The government says it will not rule out COVID certification as a way of allowing certain businesses to operate at capacity, although the plan specifies this would not apply to attendance at funerals (see p24).

It could also return to mandating the use of face coverings and

instructing all those who can to work from home.

Plan B would only be enacted if data suggests further measures are required in order to 'prevent the NHS from being overwhelmed'.

What does this mean for us?

The plan highlights the fact that COVID-19 is still out there and remains a notable risk.

Tens of thousands of cases are being reported each day and unfortunately we have had instances of positive tests within some of our business areas and locations.

Put simply, the threat may have diminished, but it definitely hasn't gone away.

That's why we still have guidance in place at Dignity which is designed to reduce the spread and keep our people and clients safe. And we need everyone's support in making sure these measures are properly adhered to.

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OUR SIX STEPS TO SAFETY



1
Wear face coverings indoors while moving around the workplace.



2
Maintain social distancing at 1m+ wherever possible.



3
Follow the current **guidelines** for colleagues in funeral operations if this applies to your job role.



4
Continue to work from home where appropriate (plans are taking shape for a gradual and controlled return to office premises).



5
Remember the basics. Good hygiene, regular handwashing and keeping rooms well ventilated all helps.



6
Stay away from work if you feel unwell, show any COVID-19 symptoms or are identified as a close contact of someone who has the virus. Get tested so you know when it's safe to return.

“THE RIGHT THING TO DO”

Why the CMA has been making changes to the at-need funerals market.

We've finally reached the point where funeral directors and crematorium operators must be able to demonstrate compliance with all aspects of the Funerals Market Investigation Order.

Everything is in place across our estate and websites, but only thanks to your hard



work in adapting to the new requirements so quickly.

On Dignity Inside you'll find a short video report reflecting

on why the Competition and Markets Authority (CMA) identified a need for change in our sector and how its legal Order will help bereaved families make informed choices during difficult times.

So make sure you over to the **Dignity news studio** and watch this important update for yourself!

ACTIVE8 WILL BE ACTIVATED

A new supplier has been appointed to support us with printing and photocopying equipment.



Do you look after the printers and photocopiers for your team? Well, we have some important news.

There is a new supplier that will be supporting us with our printing and photocopying equipment.

Starting next month (1 October), the print supplier contract will be transferring from Alto Digital to a new partner called Active8.

Active8 Managed Technologies Ltd. were successful in winning the contract to manage all the printers and photocopiers across our estate – that's our branches, care centres, crematoria and head office premises – replacing the service currently provided by Alto Digital.

They will be providing such services as replacing toners and inks, servicing printers and photocopiers, and supporting with any breakdowns or printing issues in regard to printer performance.

Why are we changing to Active8?

Active8 are experts in their field and were awarded the contract due to their promise of supplying us with a dedicated, committed service offering genuine manufacturer toners and parts serviced by high quality service engineers.

The Active8 approach is to ensure the customer experience is always positive and to make things easy

Details can be found using the resources below.

- To find out more, including instructions on how to place an order or raise a service request, please refer to the [FAQs](#).
- And from 1 October, supplier information and contact details for Active8 will be live on the [Procurement page](#) of our Intranet.

for you, they are able to receive requests through a variety of methods, including a digital order form, by email or by phone.

Active8 aim to keep your operation moving so toners will be delivered directly to you via DPD couriers within three business days of receiving a request. Their phone lines are open from 8:30 – 5:30, Monday – Friday and you can get in touch with them via email too.

What do I need to do?

Our contract with Alto Digital ends at close of business on 30 September but, in the meantime, any toner orders or issues with printer performance can be reported to Alto Digital in the usual way.

If you are involved in ordering toners or reporting printer issues for your team, please ensure that from 1 October, all toner orders and issues with printer performance are reported to Active8 Technologies Ltd.



INCLUDE THIS IN YOUR DIARY

National Inclusion Week is coming and it's the perfect time to start a conversation about diversity.

We all want Dignity to be an inclusive organisation.

Having a diverse workforce enables us to work better together, be more creative and engage better with our colleagues and clients. Sounds like a no-brainer!

What is National Inclusion Week?

National Inclusion Week happens every year and is designed to celebrate everyday inclusion in all its forms.

This year's theme is about unity and having open conversations about diversity and inclusion is encouraged.

Talking about topics such as racism, ageism and sexism can be challenging and uncomfortable, but by learning and talking we can drive change and inspire action.

What are we doing?

National Inclusion week begins on Monday (27 September) and we have picked out some great learning resources to help you start a conversation about inclusion in the workplace.

We're participating in

Inclusive
Employers

National
Inclusion Week
2021 27 September –
3 October

On the **Dignity Academy Portal**

you'll see a brand new collection of podcasts, videos and articles exploring all areas of diversity. Some titles include:

- Trans 101 (Video)
- 10 Amazing Festivals from Around the World (Video)
- Anti-racism in the UK (Podcast)
- Let's end ageism (TED Talk)
- What are Pronouns? And How to use them (Video)
- Unconscious Bias for Managers (Online Course)

So, whether you've only got a minute to spare, or 30 – there's something new you can dip into and learn about.

As part of our ongoing commitment to creating a diverse and inclusive culture, our new Transitioning at Work Policy is also launching next week. Look out for more

information about how we will support our colleagues who are looking to transition, or who are in the process of transitioning.

The policy includes information on the legal context and protections that relate to transgender employees, as well as key considerations and responsibilities for employees and line managers. The policy offers practical guidance, clarification and education.

The Transitioning at Work Policy covers topics such as:

- Name changes and official records
- Time off for transitioning to attend appointments, treatment and surgery
- Dress codes
- Pronoun guidance
- Recruitment procedures

The policy forms part of our goal to create a more inclusive culture, where colleagues express themselves with a view to creating an environment in which everyone is respected, valued and able to bring their true self to work.





MICHAEL WALSH: A NEW HOME

Katie and the team at Michael Walsh celebrate the opening of their new premises.

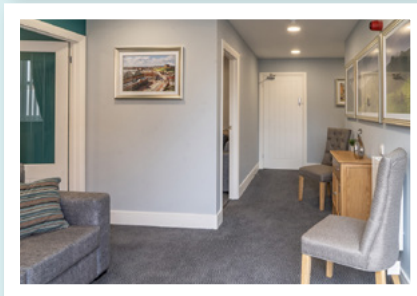
Carlisle based Funeral Directors, Michael Walsh have moved into new premises this month.

They plan to officially open their new building with a blessing conducted by local religious and community leaders.

As part of a £278,000 investment, the Church Street site will enable manager, Katie Walker, and the team to provide the highest standard of care for their clients.

The funeral directors were originally opened on Newtown Road in 1986 by Michael Walsh but for the past 16 years has been part of the Dignity family. Our investment will give the team the support to provide one of the most modern services in the area.

The new premises have been reconfigured to include an arrangement room, where families can discuss their funeral wishes with one of our caring colleagues, and two new Chapels of Rest, providing a tranquil place in which to spend time with the person that has died.



Stephen Hope, Design and Project Manager, said: "The new facility is fantastic. The team has been carefully selecting the furniture, upholstery and colours to set the right tone for the building.

"By using innovative lighting and putting in local pictures of Carlisle we have achieved a really welcoming, community feel that our customers will be comfortable in."

An additional facility is a quiet family area where mourners can compose their thoughts and all rooms have been decorated with new furniture, carpets and furnishings throughout making for a pleasant experience for colleagues and clients alike.

Richard Allen, Building Surveyor, said: "We would like to say a huge thank you to everyone involved in the relocation. We have been able to overcome some initial difficulties with the original building achieve a successful overall project.

"Everything has been completed to an excellent standard and I hope our colleagues at Michael Walsh enjoy their new home."

Katie Walker, Manager of Michael Walsh Funeral Directors, added: "It brings huge comfort to families to know their loved ones are being cared for in the best possible way until the funeral takes place.

"I believe that when families visit to make the funeral arrangements, they will appreciate the modern, lighter ambience and comfortable surroundings we now offer."



HIS DUTY IS DONE

C Selby & Son provide a fitting send off for a distinguished Second World War veteran.

Colleagues at C Selby & Son in Leytonstone were honoured to conduct a well-attended funeral service for local WW2 veteran, Bill Allen.

Mr Allen, who lived to 101, had an impressive military history. He was one of the first soldiers to land on Juno beach on D Day and during his military service he was a Dispatch Rider and Bodyguard to Field Marshal Montgomery.

He was also a holder of the Legion d'honneur and awarded the Freedom of the Borough of Waltham Forest for his services to St. John's Church.

Alongside his friends and family, many local dignitaries attended the funeral – arranged by C Selby's Helen Beaman – to pay their respects, including the Lord Mayor of Waltham Forest, local councillors, and distinguished Military from Mr Allen's regiment.

He was a well-respected member of the Royal British Legion for many years at Leytonstone and Leyton Branches.



As a result, no fewer than 16 standard bearers were in attendance on the day and Mr Allen received a full road closure and a police escort to St. John's Church and the City of London Cemetery.

"I felt most honoured and privileged to be part of this amazing day."

Funeral Director Denise Gillmore said: "I felt most honoured and privileged to be part of this amazing day. Mr Allen was a remarkable man who has done more than his duty for our country.

"In these difficult times, it is wonderful to see so many people paying their respects to a much-loved member of the community."