

WHITBREAD PLC

# Environmental, Social and Governance Report 2022/23

Force for Good: Enabling people  
to live and work well



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# Welcome

This report brings together our approach to **Environmental, Social and Governance (ESG)** issues. Our objective is to present a comprehensive and transparent overview of our programme, the progress we have made against our targets, and the impact we have on our people, guests, local communities and the environment, as well as our overall approach to doing business in the right way.

It provides an ESG structured update on our Force for Good sustainability strategy in 2022/23. Throughout the report, we incorporate recommendations from the Sustainability Accounting Standards Board (SASB) and the Taskforce on Climate-related Financial Disclosures (TCFD). Selected data within this report has been independently assured by a third party to the ISAE 3000 standard and all information relating to this can be found in the appendix.



## Environment



Our environmental work sits under our Responsibility pillar and covers our carbon emissions, waste reduction, and ensuring our critical commodities are sourced ethically and sustainably.



→ Read more on page 14

## Social



This covers our Opportunity and Community pillars, and includes diversity and inclusion, development and team wellbeing, as well as our commitments to guests, communities and charity.



→ Read more on page 27

## Governance



Our Governance structure underpins all that we do. An ethical and transparent approach, policies, risk management, and an inclusive and collaborative culture enable us to deliver sustainable value for our stakeholders.



→ Read more on page 39

# Whitbread at a glance

## Who we are

Whitbread is the UK's largest hospitality business and a long-term constituent of the FTSE 100 index. With Premier Inn, we are the number one hotel operator in the UK, with a quality food and beverage (F&B) offering, and a rapidly expanding presence in Germany.

## What we do

We provide quality, affordable hotel rooms for our guests, offer great value food and beverages, create value for our stakeholders and deliver long-term sustainable returns for our shareholders, all whilst remaining a Force for Good.

## How we do it

Ownership of all aspects of our hotel operations ensures the delivery of a consistent, high-quality hotel product at a great price for our guests. Our food and beverage offer supports high customer scores and generates additional revenue, whilst our Force for Good (FFG) sustainability programme drives our ESG agenda.

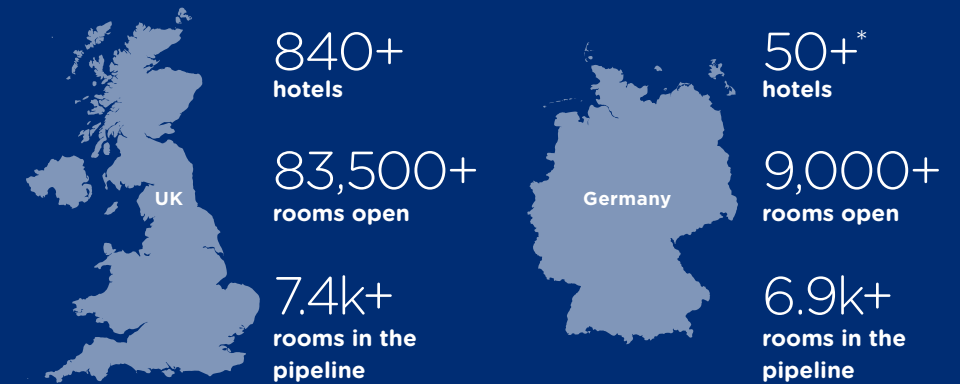
## Our brands

We're hospitality experts, running some of the UK's most-loved brands, including Premier Inn, Beefeater, Brewer's Fayre, Bar + Block, Cookhouse and Pub and Whitbread Inns. We offer a great night's sleep that everyone can count on, with a choice of rooms, flexible rates and a great breakfast to start your day.



## Where we are

We employ over 40,000 people across the UK and Germany.



\* includes one site in Austria.

Our core FFG team in the UK supports the German and joint venture organisations with their own sustainability strategy, aligning our international approach to ESG with our core Force for Good programme.



## What makes us different

Force for Good is our long-established Company-wide sustainability strategy. It matters to us and to our stakeholders, and we think it is a business differentiator. The Force for Good strategy, and the industry leading targets that sit within it are fully embedded across our business and are delivered by our 40,000 team members. Together we are a Force for Good.



# Whitbread as a Force for Good

With over 40,000 team members, people are at the heart of our business, and together we are a **Force for Good**. Our sustainability strategy is focused on enabling people to live and work well, while also protecting the environment on which we all depend.

As the UK's largest hotel business and one of the top employers in the country, it is only right that people are at the centre of our sustainability strategy. We seek to be a positive Force for Good in people's lives, whether you work for us, are staying with us, or contribute to our global supply chain.

Our strategy is underpinned by three pillars, each of which has a series of overarching goals, targets and KPIs. We also work to align our work with the business's overarching strategic goals; to grow and innovate in the UK, to grow at scale in Germany and to enhance our capabilities to support long-term growth.

In 2022/23, we made good progress against existing targets (as highlighted on page 6). We also set new targets in areas where we identified an opportunity to do more, for example on water reduction.



## Our highlights

➔ For full results table, see appendix page 53.

### Environmental

52.5%

reduction in Scope 1 & 2 carbon intensity from our base year

99%

operational waste diverted from landfill

76k m<sup>3</sup>

of water saved through internal water auditing and leak detection

100%

of our whole fish certified to internationally accredited standards

52.3%

of our rented linen, Guest Buys the Bed and duvets and pillows sourced as Better Cotton

### Social

79%

of our team members would recommend Whitbread as a place to work

237

team members completed apprenticeships this year

64%

of promotions in salaried Operations Management team were internal

24%

sugar reduction from base year across all brands

£2.6m

raised for our charity partners

### Governance

100%

of Support Centre teams have an ESG target within compensation

16K

health and safety level two courses completed

£504m

of our Green Bond allocated

33%

female representation on the Board

39k

fire safety refresher courses completed in the UK

# Our purpose framework



## Navigating our 2022/23 sustainability reporting



This year we have enhanced our ESG reporting, you can find the full suite of reports below and also on our website, click the front cover of the reports or use our QR code

**Annual Report**



**Net Zero Transition Plan**



**Modern Slavery Act**



**Green Bond Report**



**TCFD Report**



**Diversity and Inclusion Report**



**Gender and Ethnicity Pay Gap report**





# Ratings, recognition and memberships

## Our performance on ESG ratings



2022 Low ESG risk  
2021 Low ESG risk



2022 AA rating  
2021 AA rating



2022 Climate B  
2021 Climate B



2022 B-  
2021 C

## ESG reporting frameworks



Please see our latest report in the Appendix



Please see page 18 for our update on TCFD and the link to the full report

## Awards



Winner retail, tourism and hospitality employer in the 2022 Multicultural Apprenticeship Awards



GOLD award for excellence in the 2023 Stonewall Workplace Equality Index



Top 100 in the 2023 Financial Times Diversity Leaders Index



Top 25 and 'Advanced Employer' award in Investing in Ethnicity index



Awarded 'Top Employer' in the UK by the Top Employers Institute for the thirteenth year running

## Signatories and memberships



We continue to be a signatory of Peas Please and have been externally recognised for our children's menus



Working with Better Cotton to source our cotton more sustainably



We are members of the Sustainable Hospitality Alliance



We are Roundtable on Sustainable Palm Oil members

# The Sustainable Development Goals (SDGs)

## Mapping to the UN SDGs

At Whitbread we understand that it is essential that all sectors of society contribute to the SDGs and work to ensure that we support them wherever possible.

This year we undertook an SDG materiality study to understand more fully the impact that our programmes, initiatives and policies have on the 17 UN SDGs.

The results showed that we are having a positive impact on a number of the SDGs, on this page are some examples of the SDGs that we support. The results also showed there is room for improvement and this year we will look at how we can address issues related SDG 15, Life on Land, and SDG 17, Partnerships for the Goals.

### What are the SDG's

The Sustainable Development Goals are the blueprint to achieve a better and more sustainable future for all. The 17 global goals created by the United Nations address the global challenges we face, including poverty, inequality, climate change, environmental degradation, peace and justice.

[Find out more about the SDGs online](#)



#### Why we can make a difference:

Through our award-winning induction programmes, our industry leading training and development, and our host of policies to help protect those in our workforce and in our supply chain, from our Modern Slavery Statement to Flexible Working or 'Speaking Out' policies.



#### Why we can make a difference:

Through our property portfolio, we are developing sustainable buildings (built to BREEAM Excellent or above standard) and trialling net zero technology across our estate. We are building our first gasless hotel in Swindon and will be systematically refurbishing our sites to run on renewable electricity to meet our net zero target.



#### Why we can make a difference:

Through our commitment to seek to break down barriers to entry and to be an inclusive employer. Through our inclusion networks and our partnerships with Hereward and Dewen College. Through our gender and ethnicity pay gap report and a range of policies to ensure we champion inclusivity across the business.



#### Why we can make a difference:

Through our targets to reduce food waste and unnecessary single-use plastics, our commitment to source our key commodities responsibly and our extensive list of animal welfare and responsible sourcing policies. Through our targets on responsibly sourced cotton, palm oil and our new water reduction target.



#### Why we can make a difference:

Through our target to reach net zero by 2040, our Transition Plan and commitment to SBTi accreditation. Through our range of policies from energy to water and responsible sourcing, our allocation of a Green Bond and by reporting against a wide range of recognised frameworks such as CDP, TCFD and SASB.

## Leadership Q&amp;A

## In conversation with Dominic and Rosana



## Q &amp; A

**Dominic Paul**  
Chief Executive Officer

**Rosana Elias**  
Head of Sustainability

Dominic Paul, CEO, and Rosana Elias, Head of Sustainability, discuss how our Force for Good programme made a tangible, positive difference across the Group's ESG priorities in 2022/23

**Q** What are you most proud of from the last year?

**Rosana:** There are many things to be proud of as we look back over the last 12 months. We have made strong progress against our stretching Scope 1 and 2 carbon targets, set ourselves up with our Scope 3 strategy, set new targets on water, set the groundwork for our biodiversity strategy and had some great external recognition for our work on diversity and inclusion. We also see our programme getting real traction with our people, our customers and our shareholders. We have now allocated £504m of our Green Bond and continue to improve our understanding of the risks and opportunities from climate change through our TCFD reporting. I'm also really pleased we have improved our key ratings scores this year, which is a great measure of the strength of our programme. We have also enhanced our reporting with a suite of specific ESG reports including our Green Bond allocation report, our TCFD Report and our first Net Zero Transition Plan.

**Q** Coming into the business, what has most impressed you about the Force for Good programme?

**Dominic:** The breadth and depth of our sustainability programme and the degree to which it is fully embedded across each of our core business functions is particularly impressive. Whilst Force for Good focuses on a broad number of issues, each of them are material to our business. Through a number of focused strategies and workstreams, and thanks to the dedication of stakeholders across our organisation, the programme is delivering tangible and meaningful impact. It is this impact that I am most excited about and look forward to seeing it develop in the years to come.

”

It is this impact that I am most excited about and look forward to seeing it develop in the years to come.



## Leadership Q&amp;A continued

**Q** What are the differentiating factors of the Force for Good programme?

**Rosana:** The Group's operating model sets us apart from many of our peers and means we can set, support and implement initiatives and strategies to meet our core ESG targets. We own and operate the majority of our sites, and we have over 1,600 of them in the UK and Germany, so even a small change or decision taken centrally can make a big difference across the whole estate.

"

We aim to embed Force for Good across the whole business and our programme covers a wide range of topics. With support from the Board and senior management, we are committed to delivering on our ambitious targets.

**Q** How important is ESG and how much does this impact business decisions?

**Dominic:** ESG is fundamental to us maintaining our position as the UK's leading hotel business. Doing business in the right way is a responsibility that we take seriously, which is why we have set out a series of commitments to ensure we do just that. At its core, though, it just makes good business sense. For example, our carbon and water reduction programmes make us more efficient and save us money, while benefiting the environment; our diversity and inclusion programmes help us recruit and retain more team members; reducing food wastage benefits the environment and makes us more efficient, and so on. We know that ESG issues are important to our customers, to our team members and to shareholders, and this will only increase over time. Our transparent reporting gives confidence to all our stakeholders that we mean what we say and helps us to meet our shareholders' expectations, as well as those of our team members and customers, supporting how we attract and retain both. Our Force for Good programme runs through many of our core commercial objectives and as such is embedded across our teams and business decision-making processes.

**Q** You have just published your Transition Plan, what is next?

**Rosana:** Over the past year, we have seen the external ESG landscape continue to evolve and it is clear that targets alone are no longer enough. We are therefore delighted to publish Whitbread's first full Net Zero Transition Plan, which has been developed in line with the Transition Plan Taskforce Disclosure Framework. Focusing not just on 'what' we are going to do, but 'how' we are going to deliver it has been a rolling theme this year and I'm proud to share our learnings and progress in this report.

"

We now need to start to decarbonise our estate and ensure our new build hotels and restaurants are designed and able to operate as gas-free sites.

We are working with our partners to decarbonise our supply chain so that we can start to deliver on our Scope 3 targets. Our Transition Plan shows how we will get there.

**Q** Coming into the business with fresh eyes, what are your plans for the Force for Good programme?

**Dominic:** The ESG strategy at Whitbread has evolved over many years and as such is already well developed. Driven by a detailed materiality assessment, I think our Force for Good strategy is the right one. We need to make progress with delivery against our targets, while staying aligned with the rapidly changing ESG requirements and keeping ahead of upcoming trends and regulation. We are constantly striving to ensure that we are working towards best practice across each of our three pillars and I don't think that will change. For me, the key thing will be enabling our teams to deliver on the ambitious targets that have been set over the last couple of years and finding those projects that not only deliver strong sustainability credentials, but also deliver on real commercial benefits and opportunities, too. Being a sustainable business means securing our business for the future in an efficient and responsible way – mitigating our risks effectively, delivering on stakeholder expectations and ensuring our business activity has a positive impact wherever possible. I'm excited and look forward to working with the teams over the next 12 months to continue to drive this forward.

## ESG priorities

In what is a fast-moving external ESG landscape, we need to ensure that we are focusing on the most significant and pressing issues; that our targets are stretching yet realistic; and that we are responding to opportunities to build a truly sustainable business, delivering value wherever possible for our stakeholders. Each of these considerations feeds into our annual materiality assessment.

This process combines desk-based analysis with stakeholder engagement, ensuring that voices from our key stakeholder groups, including our guests, team members, shareholders, NGO partners and suppliers are included. We also consider the key themes included in both peer group reporting and wider reporting frameworks, such as SASB, Global Reporting Initiative (GRI) and the Corporate Sustainability Assessment (CSA). Results showed that the most material issues are largely consistent with last year, with greenhouse gas (GHG) emissions, responsible sourcing and employee safety all remaining in our highest priority category. These have now been joined by diversity and inclusion which reflects the deserved focus this topic is now receiving and also ethical business practices and regulatory compliance, which aligns with our experience of both stakeholder expectation and the volume of reporting requests we receive.

As set out in this report, we have mature programmes in place to respond to our most material issues. There are other issues in the matrix that are not yet being addressed as completely as we would like, but we have made good progress. For example, we have set new water reduction targets and completed a biodiversity assessment. We have also spent time embedding our sustainability credentials into our brand offering and have begun to measure and understand our local community impact in more detail than ever before.

In 2022/23, we maintained a consistent approach, using similar questions and language as the previous year. Going forward, to reflect UK and EU evolving sustainability requirements, we will review our approach to more formally align with the principles of double materiality, as we consider the issues that both impact our business as well as those upon which we have a significant impact. You can see our full 2022/23 materiality assessment on the next page.

➔ **For ESG governance, see page 39.**



ESG priorities continued  
**2022 Materiality Matrix**







# Environment

## Material issues



**Emissions and energy:** With over 1600 hotels and restaurants across the UK and Germany we have a substantial carbon footprint, and are working hard to reach our target of being net zero by 2040.



**Climate resilience and preparedness:** Climate change poses a risk to many areas of our operations. Understanding these and investing in resilient infrastructure is important to long-term business continuity.



**Sustainable sourcing:** From the cotton in our bedding to the food we serve, we have a truly global supply chain. It is important that we understand the provenance of our goods and services.



**Waste management:** We have a target to send zero waste to landfill and aim to reduce, reuse and recycle waste wherever possible.



**Water management:** With some of our sites in areas of high water stress, we have set an ambitious water reduction target of 20% per sleeper by 2030.



**Biodiversity and land use:** With a substantial and growing footprint in the UK and Germany, our operations have the potential to cause a significant impact on nature. We are working to set targets to reduce this impact.

## Environment

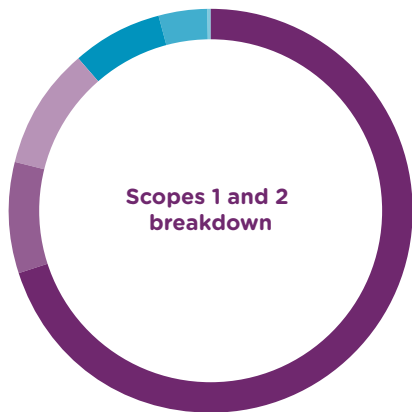


# Emissions and energy

## Scope 1 and 2 Emissions

We have a target of reaching net zero for Scope 1 and 2 carbon emissions by 2040, and to reduce the emissions across the value chain by 64% by 2050.

### Scope 1 and 2 carbon emissions



#### Scope 1

- Gas and LPG **70%** (50,149 TCO<sub>2</sub>e)
- F-gas **9%** (6,222 TCO<sub>2</sub>e)
- Company cars and logistics fleet **10%** (7,003 TCO<sub>2</sub>e)

#### Scope 2

- Non-renewable electricity **7%** (5,229 TCO<sub>2</sub>e)
- District heating **4%** (2,789 TCO<sub>2</sub>e)
- Electric car charging **0%** (20 TCO<sub>2</sub>e)

These are intensity targets and are aligned with science-based reductions required to limit global warming to 1.5°C.

We have submitted our net zero targets to the Science Based Targets initiative (SBTi), which, once validated, will commit us to near and long-term Company-wide emission reductions in line with science-based net zero. These are being validated by SBTi to ensure they are in line with a maximum 1.5 degree warming scenario and we hope to receive validation in the first half of next year.

We have also published our first Transition Plan, an overview of the work done so far, our achievements, our glide path and our action plan to ensure that we will hit our emission reduction targets. You can find an overview and a link to the full report on page 17.

We use 100% renewable electricity across our UK owned operations (98% of the total UK estate) and across all of our German estate. We will continue to increase our capacity to use renewable energy in our hotels and restaurants and decarbonise our estate through phasing out gas equipment for heating, cooking,

and hot water in operations and switching to more efficient renewable-powered alternatives.

We have a range of projects in place to reduce energy use, from targeted efficiency measures and behaviour change programmes, to renewable-powered alternative energy sourcing; for example, we have already trialled air source heat pumps in 40 of our hotels, and have installed solar panels across 20% of our UK estate.

This year we reduced our carbon emissions intensity by 52.5% from our 2016/17 base year. It is pleasing to see the impact of the gas reduction initiatives we have been rolling out across the estate, particularly the electrification of our restaurant grills. This year we have installed 236 new grills across 118 sites, bringing the total of new grills to 756 since we started this project in 2018. We believe this has accounted for 4-5% of our overall carbon reduction this year.

# 52.5%

carbon intensity reduction from baseline year



### In action Our 'all electric' hotel

In 2022, we started construction of our first 'all electric' Premier Inn hotel in Swindon town centre. The five-storey, 195-bedroom hotel is the first Premier Inn to be designed without a connection to a natural gas supply. Instead, it will be fully heated and powered by grid energy generated from renewable sources and by on-site photovoltaic cells.

A suite of energy and heat recovery systems, including air source heat pumps and a new water heating technology, will also be included in the thermally efficient hotel building.

We look forward to opening this in the coming financial year.



Environment – Emissions and Energy continued



In action  
**Working with our suppliers**

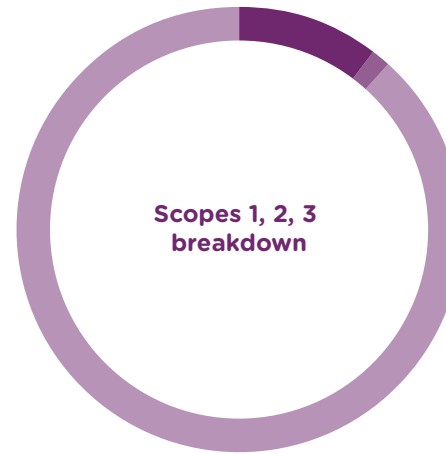
We are always looking for projects which impact multiple areas within sustainability. An example of this is our recent project with 3Keel focusing on the indirect consumption of soy within our supply chain. Of the 340m tonnes of soy produced globally in 2019/20, around 75% was used as animal feed. Consequently, the average European consumes 60.6kg of soy per year.

By working with our suppliers to understand the importance of sustainable sourcing of animal feed, calculating our current position and putting a strategy in place to increase this, we could have a measurable impact on both scope 3 emissions and deforestation.

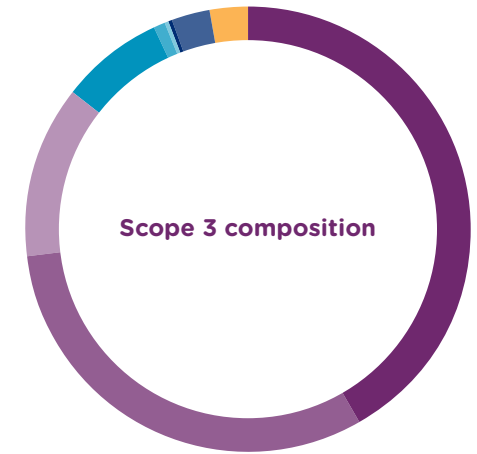
**Scope 3 carbon emissions**

We have targets to reduce our Scope 3, emissions by 50% by 2035 and by 64% by 2050. These are currently with the SBTi for validation. This year, our Scope 3 emissions were just over 468,000 tonnes, this is a 28.1% intensity reduction from our base year, 2018/19, which is also the last time we calculated emissions. The driving factor in this reduction is an improvement in data granularity, leading to a more accurate representation of our actual emissions. We have also seen changes in operations and behaviour since COVID-19 leading to consolidation of the supply chain, reduced business travel and an increased use of electric vehicles which have all contributed. Our Scope 3 emissions are more than six times our Scopes 1 and 2, so it is crucial that we work to reduce these.

This year we invited all our suppliers to share their net zero targets, progress and key challenges. Of those that responded, 55% had targets in place to reduce their carbon emissions. Of these, 37% included Scope 3 reduction within their net zero strategy of which over 50% had submitted to SBTi. We will continue to engage with our suppliers to identify opportunities to collaborate. Our focus in the coming year will be on our most material categories: food and beverages, goods not for re-sale and the building of new sites. You can see a full breakdown of the projects in place in our Transition Plan to Net Zero.



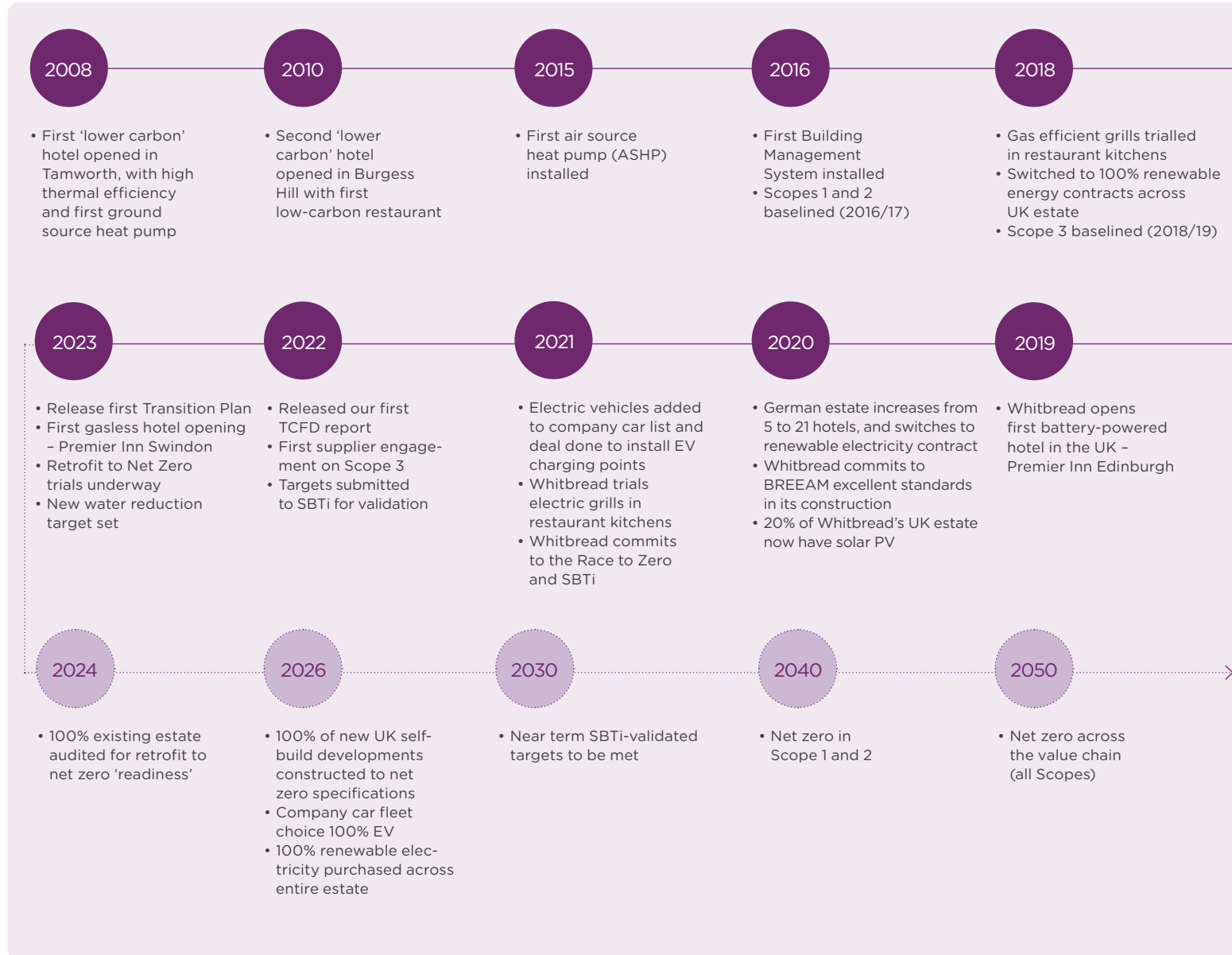
- Scope 1 **11.75%** (63,374 TCO<sub>2</sub>e)
- Scope 2 **1.49%** (8,038 TCO<sub>2</sub>e)
- Scope 3 **86.76%** (468,025 TCO<sub>2</sub>e)



- Purchased goods and services Product **42%** (195,250 TCO<sub>2</sub>e)
- Purchased goods and services Non-product **32%** (147,512 TCO<sub>2</sub>e)
- Capital goods **12%** (57,999 TCO<sub>2</sub>e)
- Fuel and energy related activities **7%** (34,789 TCO<sub>2</sub>e)
- Upstream transportation and distribution **1%** (4,534 TCO<sub>2</sub>e)
- Waste generated in operations **0%** (863 TCO<sub>2</sub>e)
- Business travel **0%** (1,823 TCO<sub>2</sub>e)
- Employee commuting **3%** (12,981 TCO<sub>2</sub>e)
- Upstream leased assets **0%** (189 TCO<sub>2</sub>e)
- Downstream leased assets **0%** (185 TCO<sub>2</sub>e)
- Investments **3%** (11,900 TCO<sub>2</sub>e)

Environment

# Net Zero Transition Plan



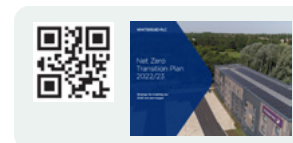
Our first Net Zero Transition Plan is our road map to achieving net zero across all Scopes by 2050. Our plan has been aligned to the Transition Plan Taskforce disclosure framework and the decarbonisation plans are now embedded across our organisation. We will follow a three-stage process:

**1. Reduce emissions:** Achieved through continued efficiencies to reduce use of fossil fuels, from the equipment we use in our sites to building new sites to net-zero specifications from 2027.

**2. Transition to renewables:** Our next challenge is to decarbonise our existing estate, primarily through phasing out gas equipment. We have trialed air source heat pumps in 40 hotels and our next step is a 'Net Zero Audit' of the estate.

**3. Remove residual emissions:** We will work to reduce our emissions as close to zero as possible. Should some residual emissions remain we will take measures to remove these from the atmosphere and permanently store them.

We know that this will be an iterative plan as we build our understanding of our existing assets, technology develops and the government's decarbonisation strategy evolves, and we look forward to sharing our progress. You can see the full Net Zero Transition Plan here:





## Environment



## Climate resilience and preparedness



## Setting the scene

We published our first full TCFD Report in 2022. As part of this, we performed a detailed climate change risk and opportunity analysis.

Climate-related risks and opportunities were identified by relevant stakeholders across the organisation, assessed and rated by impact and likelihood. Each was externally rated and independently verified, before scenario analysis and a process of quantification was undertaken, taking into consideration three future temperature scenarios as well as short, medium and long-term timescales.



Businesses must be prepared for climate change and the risks and opportunities it may bring. We have been working to understand these risks and opportunities to help support long-term business continuity. Based on our most recent TCFD report, we believe our business is resilient to the short and medium-term impacts of climate change.

## TCFD Report



While climate change poses risks to current business models across our industry and beyond, it also creates opportunities for companies that act decisively in a competitive environment. We are working to lead our industry towards a sustainable future, while reporting our progress.

Whitbread has been addressing the issues of climate change for some time prior to the implementation of TCFD and we have developed a good understanding of the climate-related financial risks and opportunities in our business.

Predicting the financial impact of climate change on our business is not

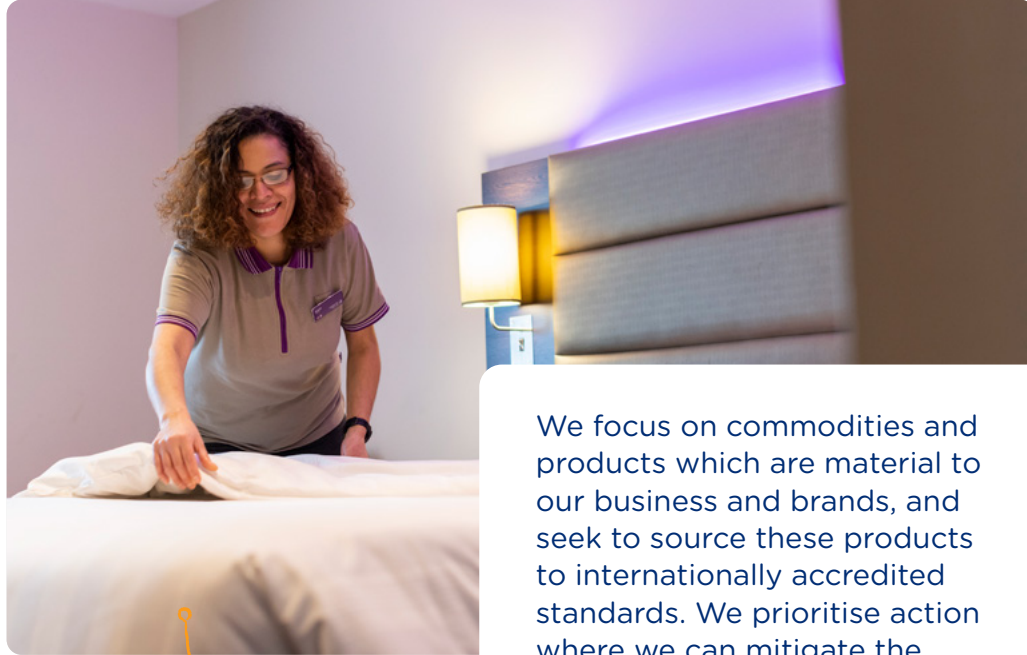
straightforward. There are of course risks, but there are also opportunities. We are focused on both. Our overall assessment is that the impacts of climate change are not likely to be material for our business in the short (0 to 2 years) to medium term (2 to 5 years), in part helped by the high level of mitigating actions and opportunities that are available.

You can see a list of all our climate-related risks and opportunities and the mitigating activity that we are undertaking in each area, as well as more detail on the process we have undertaken for TCFD, in our latest report.

## Environment



# Sustainable sourcing



We are committed to ensuring 90% of our bedding linen is sourced as sustainable cotton by 2025

We focus on commodities and products which are material to our business and brands, and seek to source these products to internationally accredited standards. We prioritise action where we can mitigate the biggest risk or have the most significant impact.

We have a mature and well established strategy in place to ensure we are sourcing sustainably and ethically. See 'Human rights in the supply chain' section on pg 11 and our Modern Slavery Act Statement for further details on how we seek to mitigate, manage and remediate risk associated with human rights in our global value chain.

### MSA Report



### Critical commodities

We have responsible sourcing policies in place for all of our critical commodities and are dedicated to working with suppliers who are committed to best practice in animal welfare management. This year we made good progress on our targets in this area as well as setting new targets relating to cotton and palm oil.

**Cotton:** As the first budget hotel chain to become members of Better Cotton, and one of the biggest rented linen customers in the country, we have been working with our suppliers to agree a



We know that by committing to source cotton as sustainably as possible we can have a significant impact.

process for sourcing more sustainable cotton for the laundry industry and to improve cotton farming globally through our partnership with Better Cotton.

In 2022, we sourced 52.3% of rented linen, Guest Buys the Bed and duvets and pillows as Better Cotton, meaning we are on track for our target of 90% by 2025.

# 52.3%

of our cotton was sourced as more sustainable cotton this year

# 100%

of our own branded products from certified palm oil sources by 2025

## Environment – Sustainable sourcing continued



### In action Johnsons and Better Cotton

We have been working with one of our laundry provider, Johnsons, to utilise the Better Cotton Platform to source cotton for our rented linen more sustainably. We are the first to do so in the hospitality space, hopefully creating a model which can be used by others in the sector.

“Whitbread has been instrumental in supporting us to create this bespoke system within Better Cotton. This has allowed for greater adaptability of our supply chain, increased traceability of cotton sourced for our products within the Chain of Custody restrictions of Better Cotton and created impact for workers at farm level. We look forward to building on the successes with Whitbread in 2023 and beyond.” Johnsons

**Palm Oil:** Although we use relatively little palm oil, recognising the importance of sourcing this commodity sustainably, we have set a target for 100% of own-branded products to come from certified palm oil sources in the UK (Mass Balance and Segmented) by 2025. As the first sector member of the Roundtable on Sustainable Palm Oil (RSPO), we have certified processes to show the Chain of Custody of certified palm oil and to support the sustainable palm oil production and supply.

**Timber:** In addition to our timber policy, we are currently establishing a series of projects focused on other high deforestation-risk commodities, starting with soy. These projects will support our drive to become deforestation-free for all high-risk commodities relating to forests, such as furniture, cotton, beef, palm oil, cocoa and tea.

**Soy:** This year we have been working to map our soy footprint across our F&B supply chain to understand where it is coming from and how much is currently certified as sustainable in order to set a target to drive improvement. You can read more about this in our case study on page 15.

### Animal welfare

We work closely with our protein suppliers to ensure we are partnering with organisations who are committed to ensuring high animal welfare standards are being met. Our species-specific sourcing policies can be found here

#### [Find out more online](#)

**Eggs:** 100% of our whole shell eggs are cage free, and we are working towards our target of having 100% of our ingredient egg requirement sourced from cage-free hens by 2025 (this relates to Whitbread’s own recipes only). We are currently at 70%.



**Fish:** We have retained MSC Chain of Custody status and 100% of our whole fish is certified to internationally accredited sustainability standards (MSC for wild caught fish and Best Aquaculture Practices, Global Good Agricultural Practices, or equivalent for farmed fish).

**Beef:** 100% of our raw beef range in the UK and Ireland is produced to a recognised farm assurance scheme in its country of origin.

Across our businesses, we are committed to ensuring all our meat suppliers operate in conjunction with the ‘Five Freedoms’ principle proposed by the Farm Animal Welfare Council.

100%  
of our whole shell eggs  
are cage free

100%  
of our whole fish is certified  
to internationally accredited  
sustainability standards

100%  
of our raw beef range in the  
UK and Ireland is produced to a  
recognised farm assurance scheme



## Environment



# Waste management



Our target is to send **zero waste to landfill** and to reduce, reuse and recycle waste wherever possible. We work closely with our waste service providers to identify opportunities to continuously improve.

This year, we are proud to have maintained our track record of diverting 99.9% of our operational waste from landfill. This was achieved partly by recycling 58% of our waste, including glass, paper, cardboard, electrical items, food waste and used cooking oil. We also introduced in-room recycling across the UK estate, asking guests to segregate waste



- General Waste (Energy Recovery) **41%** (18,736T)
- Glass (Recycled) **22%** (10,107T)
- Food and Coffee (Recycled) **19%** (8,638T)
- DMR (Recycled) **13%** (5,935T)
- Card, Wood and Paper (Recycled) **2%** (1,045T)
- Used Cooking Oil (Recycled) **2%** (750T)
- General Waste (Land Fill) **0%** (17T)

that can be recycled. In trials of over 50 sites, we found that approximately 45% of waste from bedrooms was recycled. We have received positive feedback from both guests and team members who are pleased to be able to do their part while staying or working in our sites.

As well as integrating recycling into our operations, we look for ways that items can be reused and moved higher up the waste hierarchy. For example this year we partnered with a humanitarian charity to send tens of thousands pillows and duvets to support the relief efforts in Ukraine. The bedding was being removed as part of our bedding replacement scheme and would otherwise have been recycled.

Also, during a new bed roll-out, we sought to send old beds to charities that can use them to help support people experiencing furniture poverty. Our old beds are usually sent for recycling, but we wanted to see whether we could support families who needed a bed. We continue to work through this process as our roll-out continues, but the initial trial delivered 60 mattresses to families in a state of furniture poverty.



60

**mattresses donated to families experiencing furniture poverty (a trial to assess feasibility for wider roll-out)**



## Environment – Waste management continued

### Food waste

Our target is to reduce food waste by 50% by 2030 against a FY18/19 baseline. This helps us to become a more efficient business, but also reduces our GHG emissions and helps support food security, both in the UK and across our global supply chain.

Unfortunately this year, we have gone backwards versus our target, achieving a 12% reduction from 32% a year ago. As our sites return to normal capacity post the Pandemic, we have seen food waste increasing. Our target is also absolute rather than based on customer numbers, which also makes this target more challenging. Though we are showing a reduction on pre-Pandemic figures, we

will give this a renewed focus this coming year and are determined to improve this.

There are a number of ways in which we plan to do this – by designing menus and portion sizes with minimal waste in mind, making innovative use of surplus food and by working with suppliers to package food more efficiently. Surplus food that we cannot use is donated to a range of charity partners focused on addressing food poverty in our communities. In 2022/23, we donated over 42,000 meals to local charities across the UK through our partner, FareShare.

During the year, we also restructured our food waste action plan with the aim of improving our understanding of the root cause of our remaining food waste and finding more ways to reduce it.



### In action FareShare

FareShare is one of a group of charities that collect food from our depot which cannot be sent to sites. FareShare redistributes this to frontline organisations such as food banks, charities, community centres and schools, where it is used by those facing food poverty.

According to the Food Foundation, 13.7 million people in the UK experienced food insecurity in September 2022, so we know it is as important as ever that we pass food on rather than disposing of it.

One of the charities that has made use of Whitbread food this year is Age UK in Grimsby. It offers a variety of services for the elderly to combat loneliness and to encourage a healthier lifestyle, such as bingo and outings. It also offers a meal delivery service and food parcels.

The weekly deliveries from FareShare mean that it doesn't have to rely on supermarkets, saving on resource and budget so it can use its funds to offer elderly people in the area the best service possible.

## Environment – Waste management continued

### Plastics

In 2022/23, we continued to make progress against our plan to eliminate all unnecessary single-use plastic by 2025. Alongside our peers, we have found a significant challenge in obtaining the specific and detailed data required to baseline the less-visible components of our value chain, such as secondary and tertiary packaging.

Through collaboration and engagement with wider industry groups, it has become clear that elimination targets for single-use plastics are incredibly hard to meet – this is not just in hotels but across the wider hospitality industry. We have therefore decided to partly re-define our scope so that it is in line with the UK Plastics Pact, focusing in on the shared 14 ‘problematic’ plastics and prioritising their elimination as we continue to tackle the wider challenge of capturing data for single-use plastic across the global value chain.

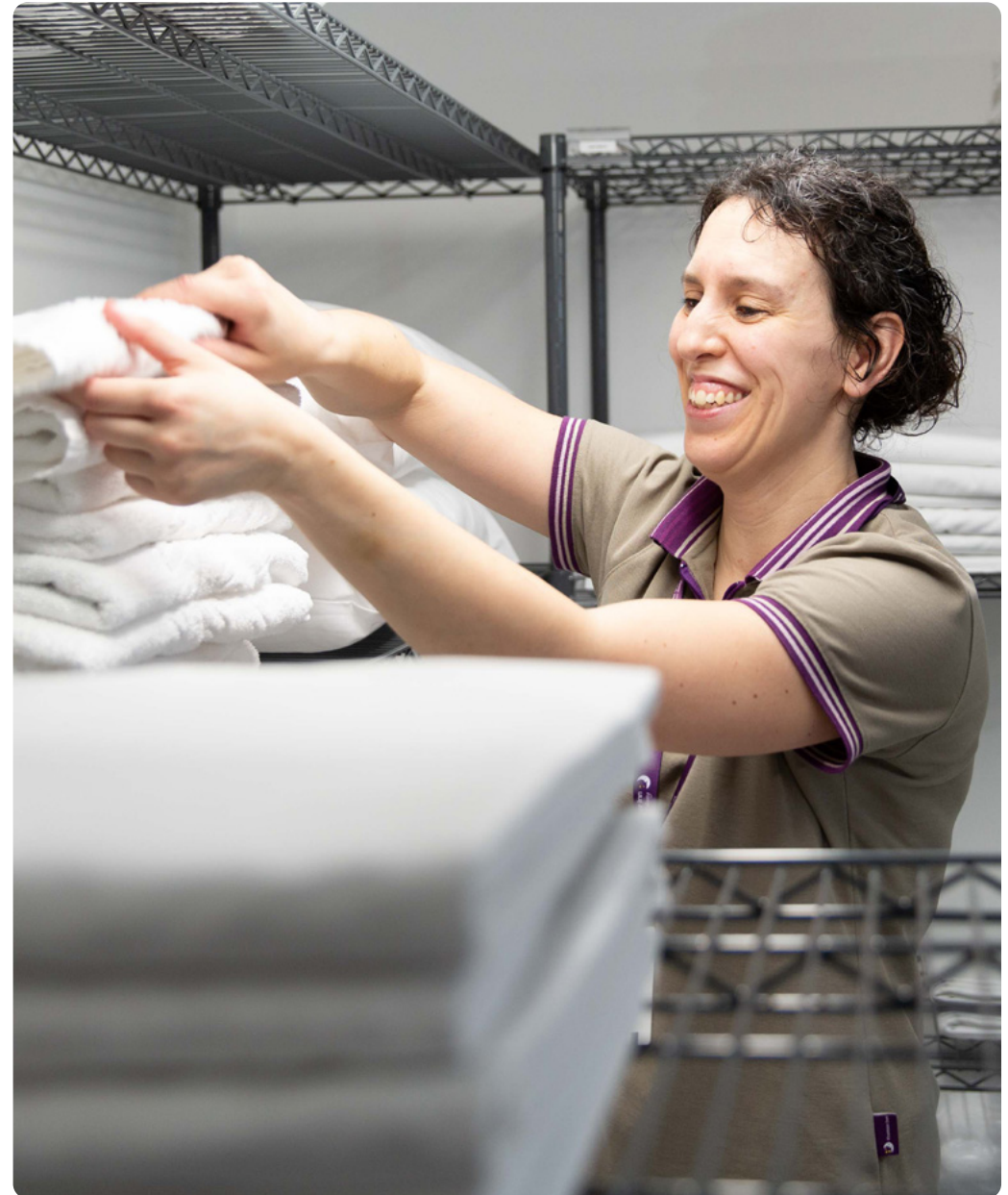
This has involved mapping the 14 problematic plastics against our value chain, identifying those areas where they may still exist – and putting the required steps in place to eliminate them. For problematic plastics not currently in our value chain, we will focus on maintaining this position and ensuring they do not appear.

The ‘problematic’ plastics which we believe are still in our supply chain are:

- household polystyrene packaging
- polyvinyl chloride (PVC) packaging
- PVC cling film
- non compostable fruit/veg stickers
- non-compostable tea and coffee bags
- single-use, single serving plastic sachets/jiggers in restaurant settings
- plastic packaging for uncut fresh fruit and vegetables, unless it is demonstrated to reduce food waste

We also recognise that our business creates plastic waste beyond the scope of the Plastics Pact, and we do not want to neglect this; as such, we are now working to better understand the primary sources of plastic and identify appropriate alternatives.

We hope to work closely with the Plastics Pact team at WRAP to develop a blueprint for action that will be relevant to the hospitality sector as a whole, and we hope to encourage others to join us on this journey.





## Environment



## Water management

This year we have set an ambitious water reduction target of **20% per sleeper by 2030**. We will achieve this by minimising water use across the business, while continuing to champion water stewardship in high-risk areas.

Whitbread has had a long-standing focus on water management, with ongoing efforts around leak detection and repair, as well as implementation of water saving technologies. We report water consumption at estate level every year, including all brands and facilities management sites located in the UK. This can be found in our SASB report.

In 2018, Whitbread were the first hospitality company to be granted a water supply and sewerage licence (WSSL), limited to Self-Supply by Ofwat, and we are now a retailer in the English market. This licence not only gives us control over water data collection and management, but also direct engagement with each of the 16 water Wholesalers, which has proven key to our water efficiency programme.

This year we set a 20% reduction per sleeper target, after a trial of innovative water-saving technologies, involving a number of hotels in water stressed areas, revealed a reduction in water use of just over 20%.

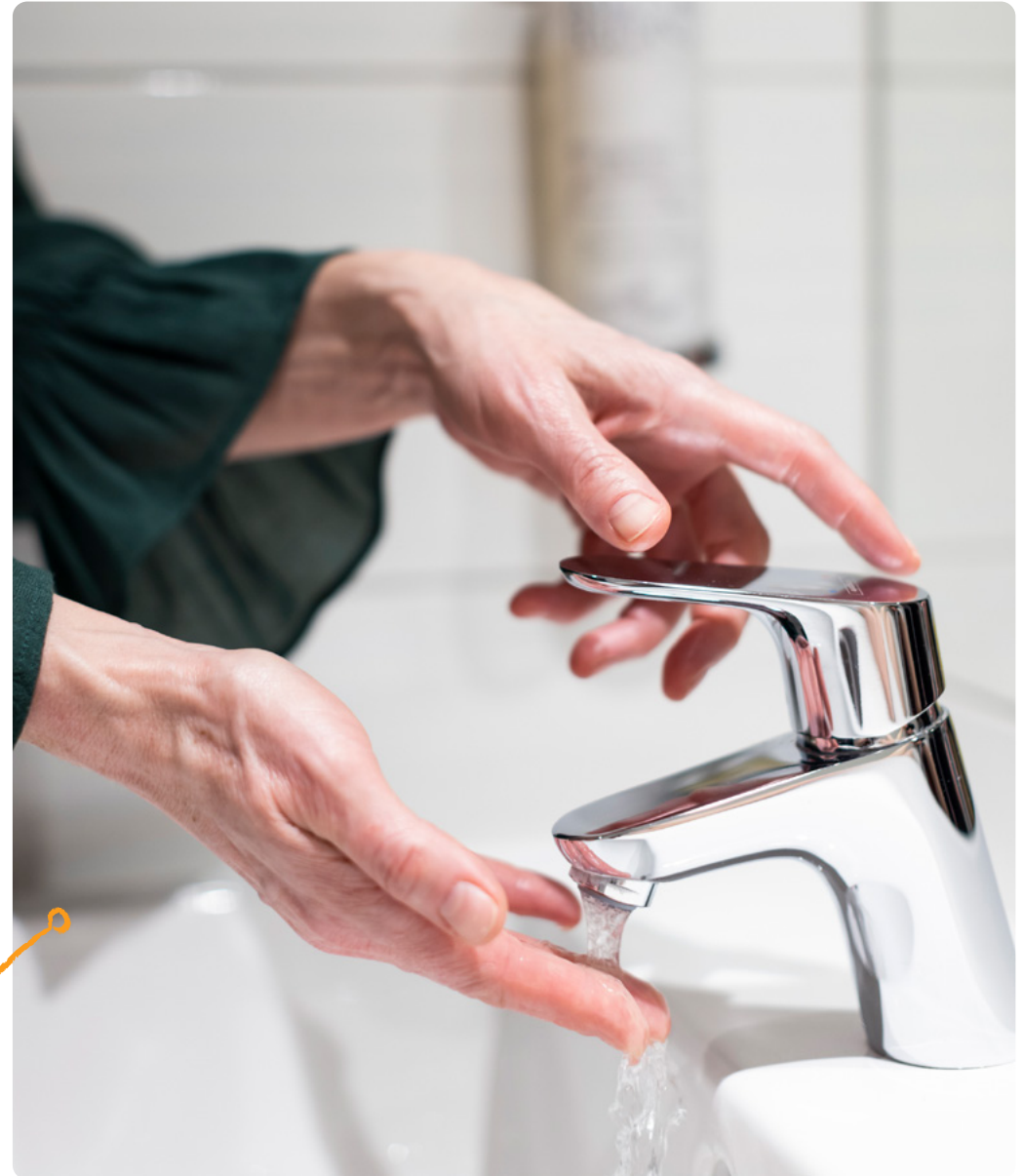
# 20%

water reduction per sleeper  
by 2030 from a 2019/20 base year.

We will now roll out these water-saving technologies across our UK estate of over 845 hotels - prioritising those in areas at higher risk of water stress. The programme of advancements includes installation of upgraded WC valves, water-efficient showerheads, and flow restrictors on taps.

Our new goals are not only a response to an environmental priority, but will also support our net zero strategy as the trials revealed the potential to cut gas consumption and related carbon emissions by 5%. These initiatives also brings a commercial benefit as we reduce water and energy bills.

Trials on showers, toilets  
and taps have shown  
a 20% water reduction



## Environment



# Biodiversity and land use

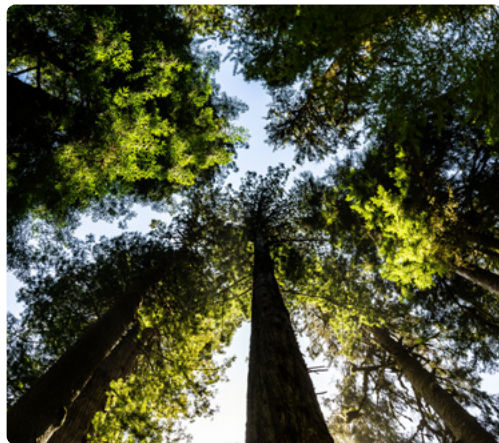
We have a responsibility to be a force for good for the nature around our sites, and which our supply chains need to thrive. Our operations have the potential to cause a significant impact on nature and this year we have set the ground work to allow us to set a 'Nature Positive' target in the coming financial year.

Our materiality assessment identified biodiversity as an environmental issue that we can and should be responding to. Evolving policy and legislation at a local and national level means that an increasing number of local authorities are requiring biodiversity assessments setting biodiversity targets for planning regulation compliance.

Emerging reporting mechanisms such as the Taskforce on Nature-related Financial Disclosures (TNFD) are developing a risk management and disclosure framework for organisations to report and act on evolving nature-related risks.

Against this backdrop, in FY22/23, we have completed a baseline assessment of biodiversity. Almost all of our UK hotels in 839 locations were found to have some potential impact on nature and biodiversity, across rural, semi-rural and urban locations.

We have extensive gardens, car parks, woodlands and green spaces, which means that we can prioritise investments in projects that benefit nature the most, as well as having the opportunity to create bespoke initiatives for specific flora and fauna which are unique to their environments. We can also test and learn on more practical aspects of the projects before we roll them out across the estate, as maintaining this activity in the long term is vital to success.



## Partnership approach

Achieving our goals in this area will require sustained and coordinated action, which is why we have partnered with two of the largest nature charities in the UK to trial biodiversity improvements.

We currently have projects in place with the Royal Society for the Protection of Birds (RSPB) and Bug Life. The latter involves improving biodiversity on approximately 50 acres of unused trading estate owned by Whitbread across the UK. These parcels of land cannot be developed on and offer a unique opportunity to enhance local wildlife and contribute to our biodiversity targets.



Achieving our goals in this area will require sustained and coordinated action, which is why we have this year partnered with two of the largest nature charities in the UK to trial biodiversity improvements.



## Environment – Biodiversity and land use continued

With this assessment, we plan to develop the first Whitbread Biodiversity Strategy – so we can be a Force for Good for people and nature.

Going forward, in line with the first stages under the TNFD we will create detailed maps of biodiversity across our entire estate and will assess the impact of our value chain on biodiversity globally.

Meanwhile, we continue to undertake site-level biodiversity assessments for certain new developments, while our employees give volunteering hours to restoration projects such as tree planting in local communities. We continue to ensure that critical commodities in our supply chain, such as fish and cotton, are sourced with nature conservation in mind.

➔ [See pages 19/20](#)

Finally, with growing regulatory pressure to set ‘net gain’ targets on biodiversity for planning compliance, we have been an active member of the TNFD UK National Consultation Group and intend to release our first report under the framework at the end of the next financial year.



### In action **The Royal Society for the Protection of Birds**

Working with the RSPB, we have looked at ways in which we can enhance wildlife as part of planned garden refurbishments. At two trial sites, we have looked for opportunities to improve the design of the gardens both for nature and for our guests. From bird boxes to bug hotels to butterfly banks, and from native spring bulbs to wildflowers, the RSPB has provided advice and suggestions to help our gardens act as ‘pockets’ of habitat that connect with the wider landscape. Signs, trails and games will help ensure guests of all ages can enjoy the garden and hopefully spot the signs of some interesting visitors, such as hedgehogs or owls.





# Social

## Material issues



**Diversity and inclusion:** With hotels and restaurants across UK and Germany, we want to ensure that we are as diverse as the communities we serve, at all levels of the organisation.



**Training and development:** With a workforce of over 40,000, and a large variety of roles, from chefs and housekeepers, to Support Centre roles in IT, Commercial, and Finance, it is vital that we give our teams the skills to do their job and to support them to progress with their careers.



**Socio-economic impact and community engagement:** With a presence in communities across the UK and Germany, we aim to have a positive impact, through job creation, community work and supporting our national charity partner.



**Nutrition:** We recognise our responsibility to offer safe, great-tasting, high-quality food that is nutritionally balanced and meets our guests' needs and expectations.



## Social

## People are at the heart of what we do



With over **40,000 team members**, people are at the heart of our business, and we give everyone the opportunity to grow and develop, with no barriers to entry and no limits to ambition.



Our commitment to our people and culture is demonstrated through our 'Top Employer' award in the UK, from the Top Employer's Institute - for the 13th year in a row. This is an incredible milestone, and it is pleasing to see our practice recognised externally.



## Winner

retail, tourism and hospitality  
employer in the 2022 Multicultural  
Apprenticeship Awards



## GOLD

award for excellence in the 2023 Stonewall  
Workplace Equality Index



## Top 100

in the 2023 Stonewall Workplace  
Equality Index



## Top 100

in the 2023 Financial Times Diversity  
Leaders Index



## Top 25

and 'Advanced Employer' award in  
the Investing in Ethnicity Index

## Social



## Diversity and inclusion

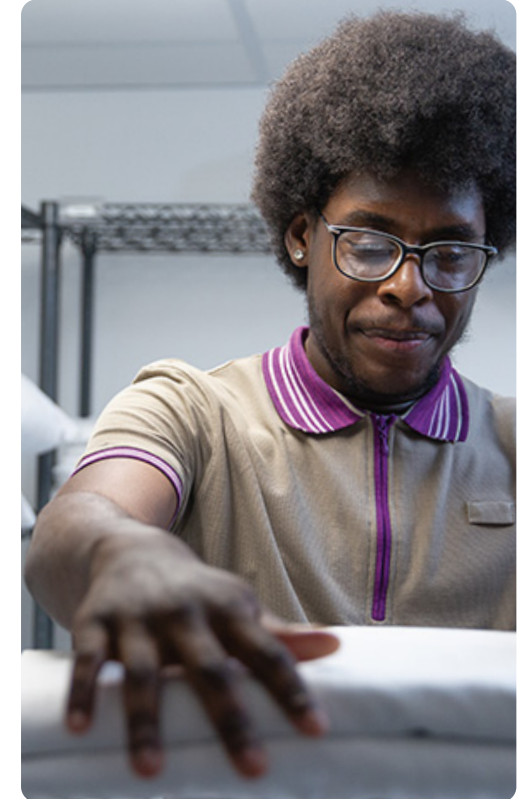


At Whitbread, we value difference. Our commitment is to be for everyone, championing inclusivity and driving diversity. We believe in no barriers to entry and no limits to ambition, no matter how you identify, and we aim to bring this to life through our commitments to diversity and inclusion.

Our eight Diversity and Inclusion commitments have remained the same since 2020, and continue to give us a tangible set of actions that we are committed to delivering - positive actions that we can see are driving change across Whitbread for many of our under-represented communities - among both our teams and our guests.

We are proud of the external recognition we have received over the last 12 months. This reflects the hard work, effort and impact our D&I commitments are having across the business, both in Operations and at our Support Centres. We know that driving inclusion is an ongoing journey, and we always have more work to do.

Together, we are determined to drive positive change to enable us to be more inclusive and demonstrate that we value difference.



# No 53

in the Stonewall Top 100 Workplace  
Equality Index

# 40.4%

female and 6.7% ethnic representation  
in our leadership community



## Social – Diversity and inclusion continued

## Diversity commitments and progress

Commitments and targets	Progress in 2022/23	Looking forward
<p><b>Diversity targets for senior leadership population*</b></p> <p>Target 8% ethnic minority and 40% female representation in our leadership population by the end of 2023 (UK only)</p> <p>In Germany, a target of 50% female representation in leadership by 2023</p> <p><small>* UK Leadership community is defined by all roles at grades C20+</small></p>	<p>In our leadership population as of 28/02/2023:</p> <ul style="list-style-type: none"> <li>• 40.4% female representation</li> <li>• 6.7% ethnic minority representation</li> <li>• 50% female representation in our German leadership team</li> </ul>	<p>Following the end of 2023, our further stretching targets (UK specific) will help us further improve leadership representation (UK only). By the end of FY26 we aim to have:</p> <ul style="list-style-type: none"> <li>• 45% female representation; and</li> <li>• 10% ethnic minority representation.</li> </ul>
<p><b>Diversity targets for middle management population</b></p> <p>Greater ethnic diversity in our middle management population through stringent recruitment methods that mitigate bias (UK specific)</p>	<p>This year we have placed a focus on Leadership Hiring Principles for all senior leadership roles, which includes having a diverse shortlist (both gender and ethnicity).</p> <p>In addition we have completed a thorough review of our selection process for Operations Leadership roles. And put a focus on embedding the tools already introduced into recruitment processes</p>	<p>A functional focus that allows each part of our business to use the D&amp;I tools available to meet their needs.</p>
<p><b>Invest in a diverse talent pipeline</b></p> <p>Invest more in our diverse talent pipeline to ensure our diverse talent can be promoted equitably</p>	<p>Gender and ethnicity data continue to be part of our standard talent review processes, ensuring bias can be mitigated throughout.</p>	<p>A focus on developing key talent for the future, both at entry level as well as future leadership.</p> <p>Internships, as part of the 10,000 Black Interns scheme, are planned for summer 2023 at our Support Centres across a range of functions.</p>
<p><b>Collect data to understand how our teams identify</b></p> <p>Complete ethnicity pay gap reporting and share results with all our teams (UK)</p> <p>Get better identity data and insight to understand individual experiences</p>	<p>We externally published our Ethnicity Pay Gap for the first time, alongside our Gender Pay Gap.</p> <p><a href="#">Click here to view the report</a></p> <p>This year we have taken a large step forwards in the collection of identity data, and are proud to be able to collect data in line with the 2021 UK Census around identity. We can use this to understand differing experiences, undertake wider pay gap analysis, and understand even more about our teams and how representative we are.</p>	<p>Continue to encourage our teams to disclose their identity data so that in future we are able to produce pay gap reporting for areas such as disability and sexual orientation.</p>

## Diversity and inclusion continued

### Inclusion commitments

#### Equip our teams to be confident and capable in diversity and inclusion

Education is a key component in our Diversity and Inclusion strategy, as it can drive greater empathy and understanding for others' experiences. Key concepts such as bias, privilege and allyship, are covered in induction, and our networks get involved in delivering additional sessions on topics such as neurodiversity, gender identity and racial fluency. Over the last 12 months, we have delivered a range of courses including 'Leading in an Inclusive World' to all 180 leaders in our leadership community and Race Fluency workshops to our Operational leadership teams.

#### Active networks that give our minority groups a voice

It is important that our under-represented groups have safe communities they can join to share experiences – either as they are part of the community, or because they want to become a better ally.

Our inclusion networks are self-organised, made up of people throughout the business at all levels, and each has a Steering Committee led by a sponsor from the Executive Committee. We are proud that they are also there to drive our business to be more inclusive, providing consultancy and support to business leaders and teams, and working closely with our Diversity and Inclusion Centre of Excellence.

#### Review our policies and practices

Our new workplace adjustments policy and process launched in November 2022, with supported training for line managers. This rigorous policy, process and support tools, created in partnership with the Business Disability Forum, will allow our line managers to have the confidence to implement the right adjustment for individuals in their team.

We now have a comprehensive suite of inclusive policies and guides that have been created or updated in the last two years, from a 'Guide to Fasting at Ramadan' to a 'Workplace Guide to Menopause'.

In addition to this work on policies, our site teams are all able to have their pronouns on their name badges, should they wish to do so.

Our guest policies are also an important component of this commitment, and across 2022/23 our enAble network has taken a lead role to review and update our guest policies around guide dogs, brand standards in accessible rooms, blue badge car parking spaces and supporting guests with disabilities from their booking to after they check out.



#### Celebrate key events

We continue to have a fantastic cultural calendar that runs throughout the year, which is now well embedded across the business, allowing our teams to connect with different events of importance.

Our inclusion networks have taken a leading role in communicating, celebrating and commemorating these dates with our teams across the business. Whilst we have celebrated many events throughout the year, below is a summary of some of our networks' favourites.

**International Women's Day** – Celebrations were led by our Gender Equality network, that shared stories both within Whitbread and externally, showcasing some of our great female teams and leaders, and what #EmbracingEquity meant, both to them and to allies across Whitbread. We also launched our 'International Women's Day Superhero' awards across Operations and Support Centre, allowing our teams to nominate in a number of categories inspiring women and inspiring allies for equity.

**Black Inclusion Week** – Our Race, Religion and Cultural Heritage network led our Black Inclusion Week celebration and education. We invested in listening to our Black community about their experiences working for Whitbread, facilitated by our partners at INvolve alongside our Race, Religion and Cultural Heritage network.

**Pride** – Our GLOW network celebrated Pride season, including Pride month in June and marching at Manchester Pride in August. For Pride Month, all sites were able to order Pride packs to celebrate the LGBTQ+ community with both teams and guests.

**Purple Tuesday** – Our enAble network was proud to be the sector sponsor for Purple Tuesday, a social movement for disabled customers. Our simple commitment was to launch the Hidden Disabilities Sunflower Scheme in every site across the UK business.



## Social

## Highlights from our inclusion networks in 2022/23

Our four inclusion networks are now well established across Whitbread, which is pleasing progress over the last 12 months.

**enAble**

Our mission is to be an inclusive hospitality business for people living with hidden and/or visible disabilities, by striving to remove the barriers to access for our colleagues and guests.

**Highlights of the year:**

- Launch of workplace adjustments policy to our teams
- Launch of Hidden Disability Sunflowers across Whitbread
- Signed up to Disability Confident Level 1, and working towards Level 2
- Launched a new learning module 'Supporting Guests with Disabilities'

**Gender Equality network**

Our aim is to create an environment where, whatever your gender identity, there is consistency in equality of representation, reward and opportunity. We welcome women, men and those who are gender diverse or use another term.

**Highlights of the year:**

- Celebrating International Women's Day, Men's Day and World Menopause Day
- Signed up to become a Menopause Friendly Employer, started accreditation and set up Menopause Support Groups across UK Operations and Support Centre
- A focus internally on flexibility, family friendly and gender-related health

They have all been involved in driving change – through listening groups, celebration of events and taking an active part in delivering training.

They are also regularly used from a consultancy perspective within the business, adding value to many business initiatives over the course of the year.

**GLOW**

GLOW is our LGBTQ+ network, committed to creating an environment at Whitbread where, regardless of your sexual orientation and gender identity, you can bring your best self to work, through focusing on our working practices. We recognise and welcome people of all sexual orientations and gender identities.

**Highlights of the year:**

- Celebrating Pride Month across our sites
- Attending Manchester Pride March, our first Pride event post pandemic
- Completed the Stonewall Workplace Equality Index Submission – and were awarded a Gold Award for Excellence, 1st in sector and a Top 100 (no 53) ranking

**Race, Religion and Cultural Heritage network**

Our mission is to ensure that everyone at Whitbread, regardless of their race, religion or cultural heritage, feels free to be their authentic self.

**Highlights of the year:**

- Led on a UK-wide listening programme, alongside our partners INvolve, to understand more about our Black colleague experience and how we can improve it
- Celebrated religious and cultural events with the Whitbread communities
- Achieving Top 25 ranking and Advanced Employer status in the Investing in Ethnicity Matrix



## Social



# Training and development

Wherever you work across Whitbread, you are supported to develop your career. This includes skills training when you first start, followed by development available at all levels of the organisation through programmes, apprenticeships and self-driven learning solutions.

## Giving a warm Whitbread welcome to new team members

In 2022/23, we welcomed 23,300 new team members across our Premier Inns and Restaurants sites. Their skills-based induction equips them to serve our guests with confidence and to remain safe at work. We have simplified our induction process, enabling team members in our most critical roles to reach the required level of competency faster, whilst removing complexity.

# 1.1m

courses completed by  
Operational teams

# 30th

in the top 100  
apprenticeship employers,  
Department of Education

A new programme, piloted in 2022/23, sought to address a shortage of experienced chefs in the UK, taking new Kitchen team members with no experience and following an intensive 20-day training programme at one of our local Chef Skills Academies, turning them into chefs with the requisite skills to return back to the workplace. This programme saw a high retention rate and we will be reviewing its contribution to our ongoing resourcing strategy.

Around 17,000 F&B team members joined new menu training, with a blended approach of face-to-face sessions at our skills academies, combined with digital learning and on-site training.

## Investing in our leaders across the business

Over the last year, we have invested significantly in our Operations leaders and Support Centre leaders. Our Hotel Managers and Restaurant General Managers started a 12-month development journey, with a programme focused on 'Leading for Tomorrow', developing their leadership skills and preparing them to lead for tomorrow. This will be rolled out to 650 site leaders over the next 12 months.

At our Support Centre, all our team members will have conversations about career opportunities as part of the half and full-year performance reviews. To continue the development of our Support Centre colleagues, we offered a range of

learning opportunities, both face-to-face and online, including a wide range of business and leadership skills, and personal development. For example, we have invested in our high-potential

leaders through 12-month development journeys, in partnership with Hult Ashridge Business School, offering the best in Executive Education to our senior teams.



In action

## Building careers through apprenticeships

We offer apprenticeships in our Operations and Support Centre, giving people the opportunity to gain nationally recognised qualifications, from entry level to Foundation Degree, and develop their skills in role or to train towards their next position.

With our 'no barriers to entry' approach, we have an apprenticeship available for every operational role. This has enabled us to rebuild the number of apprentices in Operations post-pandemic, using our levy efficiently and supporting operational talent pipelines for the future. Our recent evaluation highlighted that 46% of completing apprentices have gone on to be promoted or take on extra

responsibilities within a year of completing their apprenticeship.

Over the last year, we have increased the number of apprenticeships available in our Support Centres, allowing our people to increase their technical knowledge and gain a qualification to recognise their skills, in areas such as Customer Service, Project Management and HR.

We are proud to have been recognised for our work on apprenticeships, including being listed as a Top 100 Employer (number 30) by the Department of Education; No. 1 in Hospitality by Rate My Apprenticeship; and Retail, Hospitality and Tourism Employer of the Year 2022 at the Multicultural Apprentice Awards.

## Social

## Listening to our teams



### We listen genuinely to our teams, ensuring their views help inform decision making

It is our intention to ensure that everyone within Whitbread feels listened to. Whether it is through taking part in a survey, a listening group, the Our Voice Employee Forum, or through regular

# 86%

saying that they were able to be themselves at work

# 78.7%

of UK Operations Teams saying they were proud to work for Whitbread

conversations with their line manager – we know that we can learn a huge amount from each other and we make sure we take every opportunity to listen.

Our pulse surveys during the year revealed consistently strong levels of team engagement. Key cultural strengths included pride in the organisation, recommending Whitbread as a place to work and the belief that we work together to serve our guests. Specific highlights included 86% saying they had received the training they need to do their job well, 86% saying they were able to be themselves at work and 79% of the UK Operations team saying they were proud to work for Whitbread.

Areas that we want to continue to focus on, based on the listening we have done through Pulse Surveys and Our Voice Representatives, include the following:

- Team members and managers in Operations would like additional tools that support their work and enable efficiency through technology. We continue to invest in infrastructure that enables our teams to better serve guests, particularly around our investments in technology.
- In Support Centre, our teams tell us that they want more support in developing multi-faceted careers, and understanding the opportunities available to them. This year we piloted a new career conversation tool, alongside more rigorous talent

management with our senior leaders. We will extend this further into the business in FY24, alongside more work to enhance our learning offer for Support Centre teams at all levels.

The additional comments provided by colleagues in Operations show that our salaried managers value working for a company that cares and offers opportunities for development whilst working in a site with strong team relationships, good support and quality management.

In addition, our front-line team members also told us that they place high value on team relationships, plus providing great hospitality for guests, the convenience of local work that fits into their lifestyle, feeling valued/recognised and the opportunity to grow and develop.



### In action Our Voice Forum

We are committed to giving our teams a voice to help shape our culture and priorities. Our Employee Forum 'Our Voice' Representatives continue to connect senior leaders with front-line teams for two-way conversations about the business.

The forum facilitated a number of conversations between our team members and senior leaders in 2022/23 including with Alison Brittain, the then CEO; Simon Ewins, Managing Director UK Hotels & Restaurants; Nigel Jones, Group Operations Director; and Rachel Howarth – Chief People Officer. The programme is made up of elected representatives from across our hotels, restaurants and Support Centre, and creates an environment for open conversation where our teams can share their first-hand experiences and help to shape business decisions. Our teams are passionate about making a positive difference and we will continue to work with them to harness their commitment and enthusiasm.

## Social

## Supporting the wellbeing of our teams

121

Mental Health First Aiders

100%

of our Operations Directors are  
Mental Health First Aiders

Our Wellbeing strategy focuses on three main categories:

### Physical wellbeing

This centres around lifestyle and choices that support our teams to have a balanced and healthy life, both at home and at work. Working in the hospitality business, our operational teams are often in roles where they need to be physically active and therefore caring for their physical wellbeing is paramount.

### Mental health and wellbeing

We want to help our teams maintain balanced and productive mental health and help support their emotional wellbeing. We have continued to invest in Mental Health First Aiders, with 121 people trained across our Operations and Support Centre. In addition, we have also created a series of mental health videos and other materials to help support teams and those around them with mental health concerns and issues.

### Financial wellbeing

We want our team members to have the ability to focus on their financial situations and to support them so they can feel confident in their decisions, both now and in the future. We also know that financial pressures can be a source of stress for many people. We increased our focus on financial wellbeing given the onset of the cost-of-living crisis. In UK Operations, we invested over £55 million during the year across hourly and

salaried roles in our UK Operations, with pay increases for over 90% of our team members, our highest level of payout on the annual incentive schemes for many years for our site managers, and a further pay increase in November 2022 for over 90% of our UK workforce. In addition, we paid a one-off cost-of-living payment in November 2022 to provide further support as we entered the festive period.

Separately, we have partnered with the Money and Pensions Service to provide useful information, videos, tools and helpful advice for our teams.

We have continued our collaborative partnership with Hospitality Action. £125,000 in hardship grants have been issued to Whitbread employees, as well as providing access to additional support with counselling and advice, if required.

### In Action

#### Practical wellbeing support for our teams

Many of our wellbeing initiatives this year have combined physical, mental and financial wellbeing.

We have a new Occupational Health provider, Health Partners Group, which will support the occupational needs of our team and will also provide expert wellbeing support and guidance. This combines access to expert occupational health advice and clinical services with smart systems for our team members.

Over 2,000 line managers completed online learning modules, helping them to identify issues and support their teams' and their own wellbeing.

We created nine 'Wellbeing short-take' videos available to all our teams across our sites and Support Centres, and digital bitesize books on Stress and Anxiety, Winter Wellbeing, Kindness and Consideration, The Power of Habits, Resilience and Self Care.

We have continued regular communications through our 'Wellbeing Wednesday' initiative, a drumbeat of wellbeing information throughout the year. Our online Wellbeing Hub is available to all our teams and hosts all wellbeing resources - including all our training materials, books, videos and links to other external support.





## Social

## Supporting the communities we serve with job opportunities

**Creating job opportunities for all**

As part of being a Force for Good within the communities we serve, we have created job opportunities through direct hiring and our key partnerships, which support people into employment. This year we created 425 jobs through new site openings alone. Our partnerships include:

- Ongoing relationships with JobCentre Plus and the Department for Work & Pensions.
- Re-starting the use of sector-based work academy programmes in partnership with organisations like Shaw Trust. We have successfully hired over 50 people who were previously long-term unemployed through this relationship.
- Working closely with the local councils surrounding our sites, and for our new Premier Inn in Canary Wharf, we worked with the local borough, and maximised its programme to encourage working parents back into employment.

- Building new relationships with schools and colleges, with each of our regions now having an aligned secondary school and college through which to facilitate work experience programmes and encourage part-time working alongside studies to build transferable skills.
- Piloting partnerships with organisations supporting disadvantaged young people. In Nottinghamshire, we worked with the council to offer work experience and employability skills to care givers.

These activities are at the core of our People Plan for the upcoming year, as our teams continue to progress these relationships, ensuring we have no barriers to entry for our roles.

**Our partnerships with Derwen and Hereward College – supporting those with disabilities into paid employment**

We are proud to have strengthened our partnerships with Derwen College in Oswestry, Shropshire, and Hereward College in Coventry over the last 12 months. Both colleges specialise in working with young people with disabilities, and provide inspirational learning, development and care, to help the students achieve their aspirations and transform their lives.

Both colleges have a mini fully functioning Premier Inn, which has three bedrooms, a laundry room and a reception area, to allow students to gain real experience in a safe, simulated space. During their course, we have worked closely with Hereward College, and our first cohort of interns started their nine-month internship in September 2022, which will run through until June 2023. We are working closely with the team at Hereward to ensure that the experience is really positive for our interns, who are based in one of our local Premier Inn sites close to the college. Successful completion of the internship can lead to permanent employment for the interns, and it is our hope that they will come and join us once they graduate.

## Social



# Socio-economic impact and community engagement

We have a presence within many communities in the UK and Germany. As well as bringing jobs, taxes, skills programmes and supply chain opportunities to these communities, we also invest directly through local charity partnerships and fundraising.

Our programmes, such as donating three hours per team member to local charities for every new site we open, have been well embedded for a while now, with 1,749 hours donated this year.

We also conducted research to understand more about the impact our hotels have on the local economies they are part of. Based on 12,600 responses from guests staying at 357 Premier Inn hotels across the UK and Ireland in autumn 2022, we calculate that on average £3.3 million of external customer expenditure is generated at each hotel location every year, much of it in the local area within which the Premier Inn is located.

## £3.3m

created for local businesses  
each year, at every site



### In action Community engagement

We have been working with Project Art Works since 2018. This is a Sussex-based charity, providing art as a form of therapy for those living in the community with complex needs.

Starting as an art loan scheme, this project has grown over the years, and we are incredibly proud that Project Art Works artworks are now part of every Premier Plus room across the UK and Germany.

This year we have added two artists to the collection and have artwork in display in over 4,000 rooms. We have committed to continuing to work with the charity as we roll out the pipeline of Premier Plus rooms. In each Premier Plus bedroom, guests will find a plaque alongside the artwork, providing information about Project Art Works and the artist.

### Charity partners

We have raised nearly £22 million over our 12 year partnership with Great Ormond Street Hospital Charity (GOSH Charity) and have committed to continue the charity partnership which is so close to the heart of Whitbread. We are proud to continue to support such a vital charity, helping some of the most seriously ill children in the UK. Over 50% of patients that are treated by GOSH live outside of London, so we all have people in our local communities who are being supported by the work it does. We have now set new fundraising target to raise £3 million per year over the next 5 years but are hoping to increase this to a total of £20 million to support a new Children's Cancer Centre, which will house cutting-edge facilities and expertise to help discover cures for children with the rarest and hardest-to-treat cancers.

We have continued our fundraising in Germany, supporting national charity Children for a better World e.V. (CHILDREN). This year we raised nearly €40,000 through fundraising and from customer donations. Across the country, Premier Inn sites have been forging ties with local CHILDREN facilities to organise events and to spend time with children from disadvantaged backgrounds - from Halloween parties to supporting reading. Anna Rachlitz, Head of Partnerships at CHILDREN said: "in times like these, when more and more families have to do



without the most basic necessities... this support has an incredible impact."

In spring 2022, we diverted all our fundraising effort to DEC (the Disaster Emergency Committee) to support those impacted by the war in Ukraine. Over three months we raised nearly £700k. We also looked at other ways we could support and worked with charity partners to send sheets, pillows and duvets to those displaced by the conflict.



## Social



# Nutrition

Eating out of the home is a regular event for millions of people in the UK and Germany and so we recognise our responsibility to offer safe, great-tasting, high-quality food that is nutritionally balanced, great value, and meets our guests' needs and expectations.

We have been long-standing supporters of the UK Government's strategy to tackle obesity in the UK. Since 2010, we have integrated a number of Government programmes, including nutrient reduction and supported public health campaigns such as Change4Life. In recent years, we have also embraced positive initiatives such as the Soil Association's 'Out to Lunch' campaign and the Food Foundation's 'Peas Please' pledge.

Our menus reflect Government reduction targets on salt, sugar and calories, with a combination of reformulation through recipe changes and by reviewing portion sizes. We also review positive nutrients

and have added extra portions of vegetables wherever possible, particularly on our children's menus, where we have pledged to always offer a minimum of two portions of vegetables with every main course as part of the Peas Please Pledge. To provide even more choice for our guests, we also offer a range of meat-free dishes in each of our brands suitable for vegans and vegetarians, as well as offering a menu of dishes that are made from non-gluten containing ingredients.

Alongside sugar, this year we are reporting on our salt and calories targets. As a signatory to the Government's Responsibility Deal in 2010, we have been steadily reducing the salt content of our meals towards the targets set in 2012 and 2017 and now towards those set by the Government's Office for Health Improvement and Disparities for 2024. We are pleased to have seen an overall reduction of salt (4.8%) and sugar (24.1%) in our meals which is an average across all brands from the 2017 baseline. This is due to reformulating dishes with

the highest salt and sugar content and working closely with our suppliers to ensure that all ingredients we source meet the relevant Government targets, wherever this does not compromise on food safety, quality or taste.

We started work in 2021 on the Government's calorie reduction programme where the ambition was set in October 2020 of a 20% reduction by 2024 in a defined set of meal categories for the Out of Home sector. This year we have been improving the granularity of our sources of nutrition data for many of our dish calculations to improve the accuracy of the calorie values we declare this year; We have moved from some theoretical nutrition values to analytical results as increased resources have become available post Covid-19. This has resulted in an overall average increase of 3.4% in the calories in our dishes across all brands. We remain absolutely committed to reducing calories across all our menus while still providing a delicious, inclusive, and affordable range of dishes for our guests. We have already had some success, for example, in Premier Inn main courses, we have seen a calorie reduction of 10%. This is due to reformulating or removing our highest calorie dishes and expanding the range of lower calorie choices.



## In action Nutritious kids' menus

Our ambition is to be a leader in our sector for delicious, appealing and healthier children's food. Our Brewers Fayre brand was in the top 10 Soil Association 'Out to Lunch' league table of restaurants for family friendliness, healthier options, food quality, value, sustainability and ingredients' provenance. We will build on this in the coming year to drive standards even higher and become a top destination for family-friendly dining. Our Nutrition and Ingredient Policy for Children's Menus sets out the high standards and requirements we expect when it comes to menu development for our teams, suppliers and other business partners. These include Our Promise to:

- provide carefully controlled levels of calories, fat, saturates, sugar and salt;
- meet the nutritional needs of children;
- include 2 of the 5 a day in all main meals;
- offer vegetarian options;
- never use artificial colours or flavours
- always offer a range of no added sugar drink

### We are members of:



### We work closely with external partners including:







# Governance

## Material issues



**Ethical business practices:** With a range of stakeholders, including our team members, shareholders, customers and local communities, we are committed to doing business the right way.



**Health, safety and security:** With over 40,000 team members and serving millions of customers a year, keeping our team members and guests safe and well is a fundamental priority.



**Data protection and privacy:** Protecting information and systems is critical to the sustainability and competitiveness of our business, as well as safeguarding the trust of our customers, employees, suppliers and investors.



**Human rights:** We have an impact on thousands of people, in our own employment and around the world. Respect for human rights should be part of everyone's working day, in every country and throughout our supply chain.



**Clear communication and labelling:** We have a responsibility to enable guests to make informed choices, from product pricing through to nutrition, so clear labelling is crucial. We take the same approach in our ESG reporting to maximise transparency and enable engagement with stakeholders.

## Governance – Ethical business practices



# The Board

Our corporate governance structure is integral to delivering our strategic priorities and creating long-term value for all of our stakeholders. It is through robust corporate governance, effective Board leadership and the full integration of our sustainability strategy that we are able to deliver the change we seek to implement.

The Board is responsible for the stewardship of the Group and has established certain committees to assist it in discharging its responsibilities to deliver on our strategic objectives and creating long-term success.

There are 12 members of the Board, including the Chairman and Chief Executive Officer. The Board's primary objective is to ensure the long-term success of the Company through overseeing its conduct, affairs and risk management to generate sustainable value for our stakeholders.

It is vital for the Board to possess a diverse range of skills, backgrounds and experience, to enable a broad evaluation of all matters considered and to contribute to a positive culture of mutual respect and constructive challenge. There have been several changes to the Board over the past year, including a change of leadership, with Alison Brittain stepping down as Group CEO on 17 January 2023 and the appointment of Dominic Paul.

During the year, we were pleased to appoint two non-executive directors: Dame Karen Jones and Dame Cilla Snowball, both of whom have had distinguished careers in their respective fields and who both have extensive experience in ESG issues. More details of these changes are provided in the corporate governance section of the Annual Report.

### Audit Committee

All members of the Audit Committee are independent non-executive directors and have been appointed to the Committee based on their individual financial and commercial experience. They meet on a quarterly basis and are responsible for the oversight of the financial reporting process, the audit process and the Company's system of internal controls.

### Remuneration Committee

The key responsibility of the Remuneration Committee is to set the remuneration for all executive directors and the Chair as well as recommending and monitoring the level and structure of remuneration for senior management.

### The Board

The Board is responsible for the long-term success of the Company and ensures that there are effective controls in place which enable risk to be assessed and managed. All Board members have responsibility for strategy, performance, risk and people. Key to this objective is the creation and maintenance of a strong governance structure in order to support the long-term success of the business and also to generate lasting value for all stakeholders.

### Nomination Committee

The role of the Nomination Committee is to review the Board's composition and to plan for its rejuvenation as applicable. The Committee is responsible for evaluating the directors on an annual basis, striving for a balance of skills, knowledge, independence, experience and diverse representation.

### Executive Committee

The Executive Committee meets on a fortnightly basis and is chaired by Dominic Paul. It has authority to manage the day-to-day operations of the Group's businesses, with the exception of those matters reserved for the Board.

## Governance – Ethical business practices continued

## Board Diversity

A diverse Board with a range of views, insights, perspectives and opinions will improve its decision making and be of benefit to the Company's shareholders and other key stakeholders. The Board is responsible for making hiring decisions and, as outlined in our Board Diversity Policy, supports the recommendations set out by the Parker Review on ethnic diversity as well as the FTSE Women Leaders Review (formerly Hampton-Alexander) target.

Within our leadership population, we are making good progress against our 8% representation target by the end of 2023, as 6.7% of our leaders identify as Black, Asian or Mixed Ethnic. There is more detail on our diversity and inclusion commitments and networks in the Opportunity section of this report.

Following Alison Brittain's departure, the Board is now 33% female and we are committed to achieving the required target before the 2025 deadline. This has been a key focus for the Nomination Committee and we are working hard to ensure compliance. In January 2023, we were pleased to welcome Dame Karen Jones and Dame Cilla Snowball as new independent non-executive directors, fulfilling the continued strategy of promoting gender diversity on the Board and enhancing the breadth of skills available.

Gender<sup>1</sup>

## Board



## Executive Committee



## Leadership community



## All employees

Ethnicity<sup>2</sup>

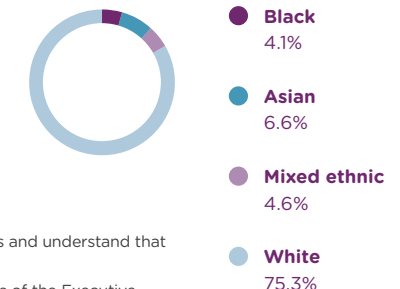
## Board



## Executive Committee



## Leadership community

All employees<sup>3</sup>

<sup>1</sup> As an inclusive organisation, we recognise all gender identities and understand that not all our team members will identify as male or female.

<sup>2</sup> The information provided is discretionary, and not all members of the Executive Committee and Leadership community have chosen to share their ethnicity with us.

<sup>3</sup> 90.5% of our team members have chosen to share their ethnicity with us.



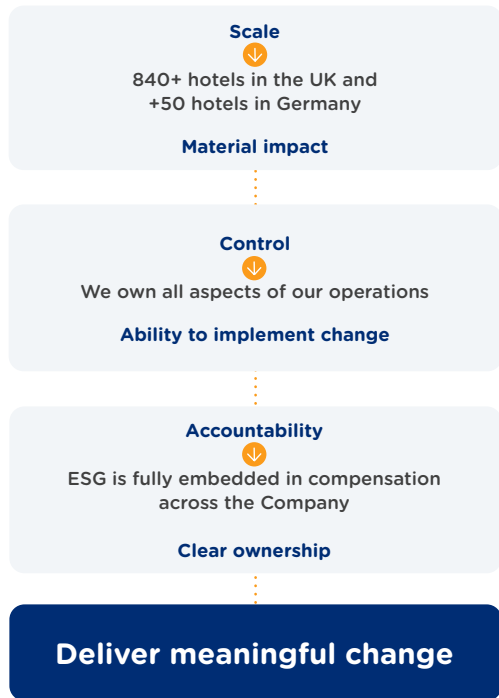
Governance – Ethical business practices continued

# ESG governance

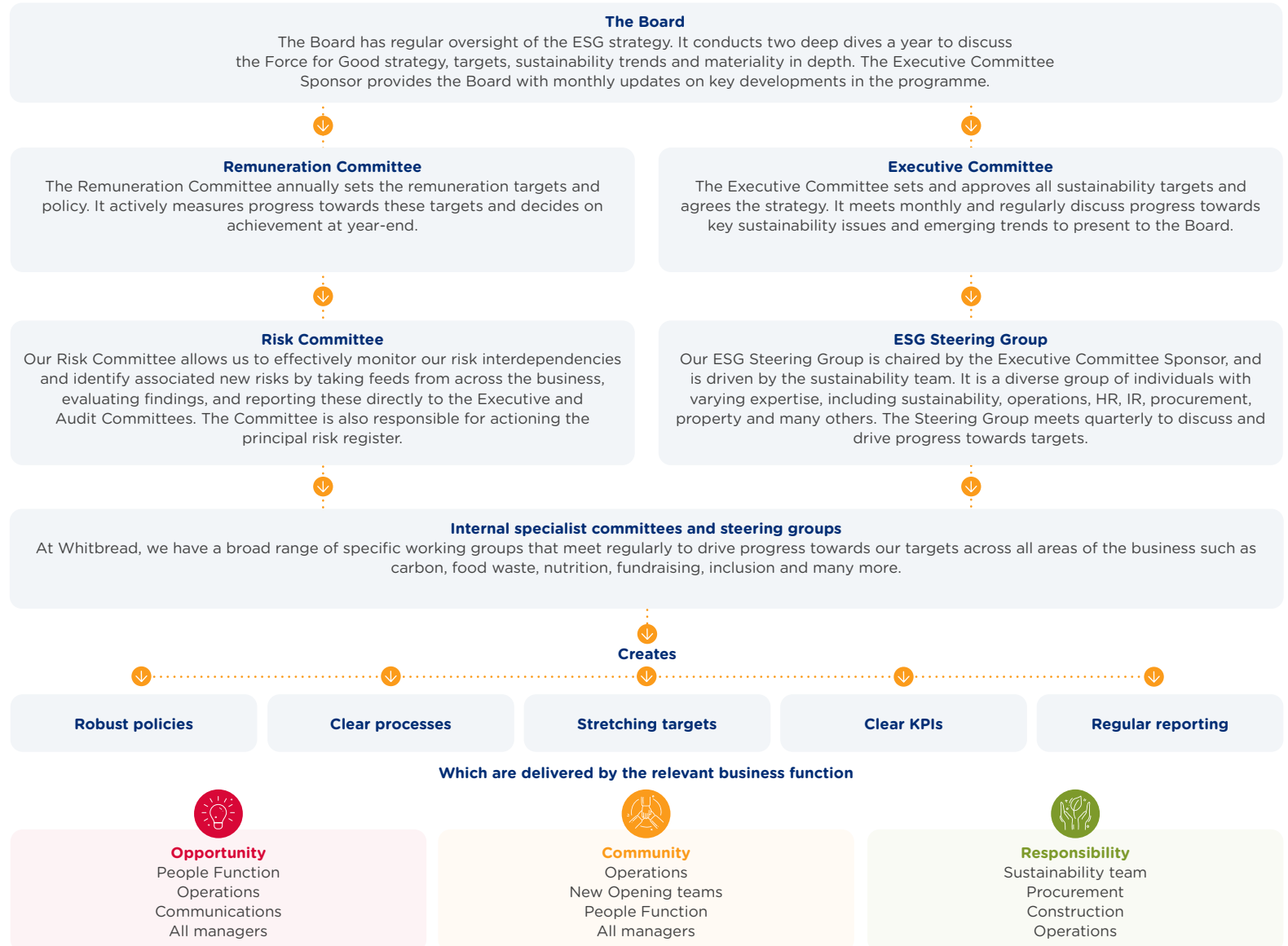
Effective Board oversight ensures that ESG is not only fully embedded across the organisation but is also prioritised effectively. It is through our dedicated team members that the majority of our key targets are delivered, so it is important that we keep our colleagues fully informed about, and engaged with, the positive change they have on our communities.

**Force for Good is fully embedded in our business and our corporate governance**

Our ownership business model means we are uniquely placed to deliver change.



## Embedding ESG into our business and governance structure



Governance – Ethical business practices continued

## Remuneration

Incorporates ESG measures throughout the business

### Annual incentive

Applicable to our salaried employees and our executive directors. The balance of measures influencing the incentive for Executive Directors in FY23/24 is as follows:

#### ESG measures

10%

- Reduction in carbon emissions
- Diversity in our senior leadership population
- Water reduction

#### Strategic objectives

20%

- Individual business objectives aligned to the Group's strategic priorities.
- Measures are quantifiable and linked to the business plan and future financial performance.

#### Efficiency

20%

- Efficiency savings target

#### Profit performance

50%

- Adjusted PBT target

### Restricted share plan for FY23/24

For executive directors' (CEO and CFO) and other senior leaders' long term incentive plans. The performance underpins are as follows:

#### Average Lease-adjusted net-debt to Funds from Operations (FFO) leverage ratio

<4.7x

The Group confirmed it's investment grade status on 26 August 2022 and aims to manage to investment grade metrics of lease adjusted net debt of less than 3.7x funds from operations over the medium term.

#### Average UK ROCE

9%

Since 2010, and excluding the pandemic, Premier Inn UK has achieved ROCE of between 10.9% and 13.5%

### WINcard provides a common set of objectives driving continuous improvement

We have a clear organisation-wide performance-management solution, namely our WINcard ('Whitbread in Numbers' Balanced Scorecard). The WINcard provides a facility to measure, monitor and manage business performance to drive improvements, and is a key input for team member reward.

WINcard provides a common set of measures in every hotel and restaurant, right through the organisation. We measure our progress through key performance targets across: Winning Teams, Profitable Growth, Customer Heartbeat, Force for Good and Everyday Efficiency. WINcard targets are set at the beginning of each year and agreed with the Remuneration Committee where the measures also apply to executives and with the Executive Committee for the remaining measures. In 2023/24 the Force for Good measures are carbon reduction against baseline for Support Centre and energy reduction for Operations teams. A traffic light system is used to determine levels of reward across the organisation. The vast majority of employees across the organisation have the opportunity to be rewarded for ESG measures.



Governance – Ethical business practices continued

## Embedding sustainability into our finances

Our Green Bond Framework is an endorsement of our sustainability strategy. It embodies the integration of our Force for Good programme into both our strategic and our financial decisions.

Our Green Bond is specifically governed by the Sustainable Finance Steering Committee (SFSC), chaired by the Group Finance Director and administered by the Head of Sustainability. Members of this Committee include the General Counsel, the Group Commercial Director and Managing Director of Premier Inn and Restaurants, as well as the Group Operations Director. The Committee is supported by the members of the sustainability team, the finance team, the property and construction team, as well as the procurement team, as appropriate, and meets twice a year as a minimum.

### Green Bond



**£504m**  
of our Green Bond allocated

The SFSC is responsible for:

**Final approval of the annual updates**

**Ensuring that any proposed bond issue meets the necessary requirements in accordance with the framework**

**The selection of projects**

**The management of proceeds**

**Reporting on the use of proceeds and their impact**



In action

### Green Bond for future resilience investments

The £550 million bond supports green development, operation and procurement. Since 2021, we have allocated £504 million across the following projects:

#### Green construction: £234 million

Investment and expenditure relating to the properties built to, fitted out to, or operated to BREEAM standards (Very Good and above), LEED (Platinum) or EPC (B or above), leading to seven sites being built to high environmental standards as above

#### Green operation: £234 million

Expenditure relating to purchase of renewable energy across the estate and reduction in waste to landfill, via recycling

Renewable energy, pollution prevention and control leading to 64,810 tonnes of CO<sub>2</sub>e emissions being avoided

#### Sustainable procurement: £36 million

100% of fixtures and fittings, timber and paper consumables suppliers that comply with our timber policy

100% of all allocated consumables and fish being sourced to internationally recognised sustainability standards

#### Moving forward

The SFSC will now allocate the remaining £46m of the Green Bond to eligible projects within the Framework. Full details on our allocation, case studies, impact and assurance can be found in our Green Bond Allocation and Impact Report



Governance – Ethical business practices continued

## Doing business the right way

### Code of Conduct

Our Code of Conduct is based on our core set of shared values. The Code sets out the principles that shape the way we work together. It is publicly available and clearly communicated to all employees. We have mandatory training in place when team members join Whitbread, team members can refresh this training every two years. Our teams are required to undertake additional tailored training on certain high-risk areas including information security, data protection, anti-bribery and anti-trust law. We also carry out targeted training for team members working in higher risk areas of the business including procurement and our supply chain. Knowing, understanding and living the Code is fundamental to us being able to continue to operate in line with best practice.

Compliance with the Code is supported by a Speaking Out Policy that applies and is available to all Whitbread employees via the intranet and our website. Our independent and confidential helpline is available 24 hours a day, 365 days a year. The Code also applies to our suppliers, customers, apprentices, contractors, third-party distributors and joint venture partners.

[Click here to view the report](#)

# 24/7

our 'Speaking Out' helpline is available 24 hours a day, every day

### Our values



#### Genuine

Really caring about our customers



#### Confident

Striving to be the best at what we do



#### Committed

Working hard for each other

### Anti-corruption and anti-bribery

Whitbread is passionate in its quest to prevent any form of corruption and bribery. Our anti-corruption and anti-bribery policies apply our strict standards worldwide and are reinforced through training and our day-to-day conduct. They apply to all of our employees in all markets, and to any person or organisation that works on our behalf. It's everyone's responsibility, throughout the Whitbread Group, to prevent, detect and report any instances of bribery. We encourage anyone who has a concern



to speak out and have facilitated this further through our Speaking Out helplines, enabling reporting of concerns on a named or anonymous basis. If we identify any instance of bribery, we will make sure the matter is dealt with swiftly and effectively.

### Risk management

We place high importance on the continual development and versatility of our risk management process. This ensures that we are able to identify and effectively evaluate those risks which may affect our ability to achieve our objectives and strategy, and then introduce mitigations to reduce these to an acceptable level. We complete a robust top-down risk assessment to understand our principal risks and any changes to our risk profile that are

assessed annually. Actions required to manage these risks are monitored and reviewed on a regular basis. In order to identify emerging risks at the earliest opportunity, we collate and review risk themes and trends from industry and professional bodies as well as peer networks, at least annually. These are then managed through the Risk Management Framework as appropriate. This process ensures alignment between our view of acceptable risk exposure and the strategic priorities of the Group.

The Board has ultimate responsibility for risk management and determines the nature and extent of the risks we are willing to take, whilst the Executive Committee proactively manage the risk taken.

[Click here to view the report](#)

## Governance

## Human rights

At Whitbread, we aim to create an environment where all our people feel they are treated fairly and with respect. We commit to understanding what it means to act with integrity in our roles, to ensure we are doing business in the right way, meeting customer expectations as well as our own standards.

We believe respect for human rights should be a part of everyone's working day, in every country and throughout our supply chain. We are committed to respecting these rights in line with the UN Guiding Principles on Business and Human Rights and the International Labour Organization Declaration on Fundamental Principles and Rights at Work.



We do not tolerate forced or unethical employment practices, or human trafficking, and we adhere to the principles of the Modern Slavery Act. We expect our business partners to respect these standards too, and these expectations are made clear to them at the start of any business relationship. We are determined to respect human rights wherever our business may impact them, and we have a zero-tolerance approach to any breach. We have a series of policies covering functional processes throughout our organisation, to ensure that we are measuring, monitoring and mitigating human rights risks. These are outlined in the following policies:

- Human Rights Policy
- Workplace Adjustments Policy

### Modern Slavery Statement



### In action

#### Working with Stop the Traffik on supply chain risk

We have worked with Stop the Traffik over a number of years to help protect the human rights and working rights of the workers in our supply chain. This includes an assessment of risk by country of operation and their industrial sector. The work helps to inform our audit strategy and we work with external consultants to run audits across our supply chain. We work to a SMETA 4 pillar audit, covering human rights and some environmental issues. We strive for 'engagement over audit', so where non-compliances is found, we work with our suppliers to create a roadmap and corrective action plan to ensure that they reach a suitable level of compliance.

In 2022/23, we undertook a Company-wide human rights impact assessment, in partnership with Stop the Traffik. Reviewing both our business operations and value chain across the UK and Germany and also our joint venture partner. The analysis identified the most salient human rights risk that we face, along with a series of recommendations to align with best-practice mitigation. Taking these results, we have begun a gap analysis comparing our existing policies, processes and critical control points with industry benchmarks and identifying potential areas for improvement. We aim to complete this in the coming months and work to close any gaps identified during the remainder of the year.



## Governance



# Health, safety and security

Keeping our team members and guests safe and well and their information secure is a fundamental priority. It requires continuous vigilance and robust processes and campaigns to promote awareness.

## Safety management

We have a myriad of policies, procedures, training and compliance tools, including:

- a Health and Safety Management System covering all operations and following the Health and Safety Executive's model for effectively managing health and safety;
- emergency response procedures including an individual Emergency Fire Action Plan specific to each hotel and restaurant site;
- 24/7 crisis management line;
- policy commitments and specific targets to ensure product/service safety;
- clear incident investigation and corrective action policies;
- regular external product/service safety audits; and
- assistance and training for all team members.

The responsibility for implementing the Health and Safety policy lies with all directors, managers and team members. The Board and Executive Committee regularly review performance against a series of health and safety measures. Health and safety performance is linked to remuneration at leadership level. Keeping our team and customers safe is not an incentive lever but a core responsibility that earns the right to achieve incentivised rewards.

## Data protection and privacy

Protecting information and systems is critical to the sustainability and competitiveness of our business, as well as safeguarding the trust of our customers, employees, suppliers and investors. Cyber and data security are therefore identified as principal risks for the business (see our Annual Report).

Our multi-year Information Security programme continues to review and, where required, enhance performance across our security capabilities. Accountability sits with the Chief Information Security Officer, who reports directly to the Group Operations Director on a day-to-day basis. In addition, the Board and Executive Directors receive detailed updates on our risk management and mitigation activities through the Group Executive Committee, the Group Audit Committee, the Compliance and Risk Committees, and Risk Management.

To deliver and demonstrate our commitment, we have developed policies that set out our ambition and have implemented controls to prevent, detect and mitigate key risks. We have adopted a risk-based approach which is used in prioritising activities on those areas that are highest risk to the business. We have also established reporting processes to raise visibility with leadership teams and continuously invite challenge through independent reviews and audits.

Our objectives are to preserve:

- Confidentiality: We take the highest level of care in protecting information in line with its classification/risk.
- Integrity: We have robust systems and processes to ensure that information is complete and accurate.
- Availability: We ensure systems and information are available at the time when they are needed.

# 39,000

fire safety refresher courses  
completed this year





## Governance – Health, safety and security continued

### Compliance

In order to ensure we are following best practice, we subscribe to the Information Security Forum Framework at the heart of our Information Security Strategy, which also utilises components from ISO 27001. Our Restaurants business is also certified to PCI-DSS, which is externally assessed annually. Each year the maturity of our overall Information Security is externally assessed against others in our industry area and we have continued to improve our scoring year-on-year.

### Business continuity

To maintain the successful ongoing operation of our business, we conduct annual business impact assessments across our functions to identify the capabilities, needs and criticalities of our business. We then implement response plans, controls and mitigations to help protect those essential processes. This includes testing the disaster recovery and resilience of our IT systems.

### Systems security

In order to ensure our technology systems are protected against changing security vulnerabilities, we regularly test and install ‘patches’. We also perform compliance monitoring to ensure that these patches are activated in a timely manner. In addition, we continue to strengthen our network to help us protect against unauthorised traffic and malicious content entering our environment. We have deployed tools to protect against malware infections and have independent penetration testing performed regularly to actively identify vulnerabilities.

To continually assess our security exposure, we regularly conduct external security testing across our systems, with critical systems being tested annually. Systems and applications that are developed are scrutinised for security bugs and weaknesses throughout their development before being launched. We have a robust process in place for identifying and escalating security incidents, including established Security Incident and Event Monitoring capabilities. We have a 24x7 Security Operations Centre in place to assess and investigate abnormal activities. Keeping ahead of threats is vital. Therefore we have a comprehensive threat intelligence capability to proactively alert us to potential issues or attacks, allowing us to plan ahead for such events and prevent them before they can cause harm.

### Employee awareness training

We make sure that our employees are trained in security awareness so that they understand the importance of confidentiality, integrity and availability and also that it is their responsibility to preserve the ongoing integrity of the Group’s systems and infrastructure. Ongoing training is also undertaken to help further protect our customer, employee and business information.

### Supplier assurance

We expect our suppliers to take the same level of care as we do for the information shared with them, and as such we have a supplier assurance programme in place. We focus on those suppliers that pose the highest risk to Whitbread, our employee and customer data. Those we identify as high risk undergo a supplier review which may include questionnaires and site visits. For all of our key IT suppliers and partners, we insist upon ISO 27001 accreditation where appropriate.



## Governance

# Clear communication and labelling

We have a responsibility to enable guests to make informed choices, from product pricing through to nutrition, so clear labelling is crucial. We take the same approach in our ESG reporting to maximise transparency and enable engagement with stakeholders.

## Clear Communication in our Branding

Our brand campaigns and communications are vital to the success of Whitbread and our 'Rest Easy' campaign for Premier Inn is a familiar sight across print, digital, out of home and broadcast media.

Brand Safety is imperative to the placement of our advertising. We work closely with our media agency to maximise all available tools and protocols to ensure our adverts are seen by viewers amongst appropriate content, especially within a digital space. There are three core pillars to advertising placement: Brand Safety, Ad Fraud and Ad Viewability. Within our campaigns we apply robust bespoke blocklists and filters for placement, utilising best in class 3rd party verification partners and ad serving partners to ensure safety, transparency and measurability.

From a creative perspective we have to comply with the BCAP code which ensures that all of our advertising is clear, fair and not misleading. We also have our own creative guidelines in place to ensure that diversity and inclusion is front of mind when casting for our campaigns, and that we are always family friendly in our tone of voice.

Alongside our media agency partners, we strive to be responsible with our advertising activity and support key initiatives for society, the environment and brand safety. For example, through our agency, we work with a list of partners who are either diversely owned, or who actively stand up for equality.

Our latest campaign, Rest easy 2.0, was recognised for its inclusivity, especially within the LGBTQ+ community, and we were invited by cinema media partner, DCM, to run the advert ahead of the feature film 'Bros', alongside other inclusive brand adverts.



## Governance

## ESG reporting

Our core sustainability team is the driving force behind our sustainability programme, managing the strategy development, driving progress and coordinating reporting.

Our ESG disclosures, including this report, reference leading best practice that maps to our material issues. Our 2022/23 ESG reporting suite also includes our Green Bond Allocation and Impact Report, TCFD Report, Modern Slavery Act and our Net Zero Transition Plan. We report annually to the CSA, the Dow Jones Sustainability Index, CDP and in accordance with SASB.

 All reports are available on our website.

### Navigating our 2022/23 sustainability reporting



This year we have enhanced our ESG reporting, you can find the full suite of reports below and also on our website, click the front cover of the reports or use our QR code

#### Annual Report



#### Net Zero Transition Plan



#### Modern Slavery Act Statement



#### Green Bond Report



#### TCFD Report



#### Gender and Ethnicity Pay Gap report





# Looking ahead

As we look back on everything we have achieved over the last 12 months, there is much to be proud of, but as ever, there is more to do and ever more opportunities to go after. With targets set, materiality assessment reinforcing our priority areas and our Transition Plan in place, we are now firmly in the implementation phase of our strategy. We know what we are aiming for and we know what the path to success looks like. While the coming year will see a continuation of our key programmes, there will be a number of priority projects that we will be focused on delivering. As well as responding to our most material issues, these priority areas will be those that support the three pillars of our core business strategy:

## Grow and innovate in the core UK markets

- Undertake an estate-wide 'net zero readiness' audit to inform the strategy for systematic replacement of gas boilers with electric air source heat pumps, powered by renewables
- Trial our net zero refurbishment (as per our Transition Plan)
- In-depth analysis of our menus and construction materials to identify opportunities for Scope 3 emissions reduction
- Build on our target development work for biodiversity to create an estate-wide strategy to deliver a nature positive approach
- Deliver further sustainability messaging to our guests and customers, through our core marketing campaign Rest Easy and across our in-site brand activation

## Focus on our strengths to grow in Germany

- Further develop a German Force for Good strategy ensuring our goals and targets are aligned to the market and reflect our increased footprint
- Build a reporting and regulatory framework for responding to existing and upcoming ESG-related EU requirements
- Develop customised plants for the German business to achieve net zero while keeping control of energy costs
- Go beyond the current energy measurement system to develop additional control and monitoring capability to help manage and reduce energy consumption
- Build on our successful joint work with local charity Children to develop additional social and community initiatives within our hotel staff across the estate

## Enhancing the capability to support long term growth

- Roll out the technology to deliver our water reduction target
- Deliver on our need for granular product level data to support delivery of our targets
- Identify and deliver on the strategic levers for reducing our food waste
- Achieve our 2023 Diversity and Inclusion targets
- Continue to develop our team's careers through a curriculum of development and opportunities to progress
- Embed KPI metrics into cross-functional objectives to further formalise the embedding of our Force for Good strategy
- Allocate the final amount of our Green Bond proceeds and review further Green Financing opportunities



# Appendix

**Our Progress Against Targets**

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**The Sustainable Accounting Standards Board (SASB)**

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**Mandatory greenhouse gas reporting**

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**Independent Limited Assurance Report to the Directors of Whitbread Group Plc**

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**The reported subject matter information**

## Appendix

## Our progress against targets

➔ The majority of our targets are independently assured to ISAE 3000 standard . **The full assurance report can be found on page 60**

Environment	Progress
<b>Whitbread's critical commodities will be accredited against robust standards</b>	<p>100% of whole shell egg and 70% of our ingredient* eggs in the UK have cage-free status (*relates to Whitbread own recipes only)</p> <p>100% of our whole fish served in the UK is certified to internationally accredited standards such as MSC, BAP and Global GAP</p> <p>100% of our raw beef range in the UK and Ireland is produced to a recognised farm assurance scheme in its country of origin</p> <p>52.3% of our cotton in the UK was sourced as Better Cotton cotton* (*calculated on a calendar year and relates to cotton in rented linen, guest guys the bedding and duvets and pillow purchases annually. Better Cotton is sourced via a chain of custody system of mass balance and is not physically traceable to end products.)</p> <p>69% of Palm Oil in our own branded products is RSPO certified, we have a target to reach 100% by 2025</p>
<b>100% of our suppliers will be risk assessed for human rights risk</b>	100% of UK suppliers' risk assessed for human rights risks* (*assessments are based on both the supplier's country of operation and associated sector risk. 100% of suppliers receive a country risk assessment but only suppliers over £10,000 in annual spend receive both assessments)
<b>We will eliminate unnecessary single-use plastic by 2025</b>	We are aligning our approach with the UK Plastics Pact and working to eliminate their identified 'problematic' plastics
<b>We will not send any waste to landfill</b>	99.9% of operational waste diverted from landfill in the UK
<b>We will cut food waste by 50% by 2030</b>	<p>11.8% reduction in food waste from our 2018/19 baseline year in the UK</p> <p>42,110 meals donated to charity in the UK</p>
<b>We will become net zero for carbon emissions by 2040</b>	52.5% Scope 1 and 2 emissions intensity reduction from the 2016/17 baseline year, includes our UK and German operations
<b>We will reduce Scope 3 emissions in our supply chain by 50% by 2035 and 64% by 2050</b>	28.1% Scope 3 emissions intensity reduction from the 2018/19 baseline year
<b>We will minimise water use across our business and champion water stewardship within high-risk areas</b>	76,885m <sup>3</sup> of water saved through internal water auditing and supply pipe leak detection in the UK



## Appendix

## Our Progress Against Targets continued

Social	Progress
<p><b>To have greater diversity in our leadership population*, with a target of 8% ethnic minority and 40% female representation by the end of 2023</b></p>	<p>40.4% female representation 6.7% ethnic minority representation <i>(*Leadership population is defined by all roles at grades C20+ that are UK based)</i></p>
<p><b>Through our apprenticeship programmes, we will support people to find and develop their hospitality careers</b></p>	<p>237 of our team members have completed their apprenticeship this year in the UK</p>
<p><b>We aim to promote internal succession above external recruitment and will support our teams in this endeavour</b></p>	<p>64% of promotions within our salaried Operations Management teams in the UK were internal</p>
<p><b>We will listen genuinely to our teams, ensuring their views help inform decision making</b></p>	<p>78.7% (UK Operations) and 79.5 (UK Support Centre) positive response to the question from our internal survey - 'Would you recommend Whitbread as a place to work'</p>
<p><b>We will support the physical, mental and financial well-being of our teams</b></p>	<p>121 active mental health first aiders in the UK</p>
<p><b>For every new site, we will donate our time to actively supporting local community activity</b></p>	<p>1,749 hours donated to local communities through 13 new site openings in the UK</p>
<p><b>We will raise £3 million per year for our charity partner</b></p>	<p>£1,932,643 raised for charity partner Great Ormand Street Children's Hospital Charity and £688,018 raised for Disaster Emergency Committee (DEC) to support those impacted by the humanitarian crisis in Ukraine.</p>
<p><b>We will strive to be a leader in our sector for delicious, appealing and healthier children's food</b></p> <p><b>Office for Health Improvement and Disparities nutrient reduction programme</b></p>	<p>We continue to be a signatory of Peas Please and have been externally recognised for our children's menus</p> <p>4.8% salt reduction 24.1% sugar reduction 3.4% calorie increase <i>(Average across all brands in the UK)</i></p>

## Appendix

## The Sustainable Accounting Standards Board (SASB)

## Whitbread SASB report: 2022

The aim of the Sustainability Accounting Standards Board (SASB) Foundation is to establish industry-specific disclosure standards across environmental, social and governance topics, facilitating communication between companies and investors about useful financial information to aid decision making.

This is Whitbread's third time disclosing sustainability information aligned to the recommendations of the SASB Hotel & Lodging and Restaurant Standards.

The Group has not currently reported against all metrics within this standard and will aim to expand its reporting in the next 12 months where relevant. Our 2022 report covers our UK and German operations unless specified at the end of the table.

SASB code	Accounting metric	Response/ report location 2021	Response/ report location 2022	Additional references/ comments
<b>SV-HL-130a.1</b>	Total energy consumed (GJ)	2,332,810	2,454,981	CDP Climate Change submission 2022 and 2023
	Percentage grid electricity	98.70%	98.79%	CDP Climate Change submission 2022 and 2023
	Percentage generated on site	1.36%	1.22%	CDP Climate Change submission 2022 and 2023
	Percentage renewable electricity	97.75%	97.01%	CDP Climate Change submission 2022 and 2023
<b>SV-HL-140a.1</b>	Total water <sup>^</sup> withdrawn (thousands of m <sup>3</sup> )	4,949	5,744	CDP Climate Change submission 2022 and 2023
	Total water <sup>^</sup> consumed (thousands of m <sup>3</sup> )	126	Data available in Q3 2023	CDP Climate Change submission 2022 and 2023
	Percentage of each in regions with High or Extremely High Baseline Water Stress	42%*	Data available in Q3 2023	CDP Climate Change submission 2022 and 2023
<b>SV-HL-160a.2</b>	Description of environmental management policies and practices to preserve ecosystem services	"Premier Inn Environmental Policy Statement. Whitbread Restaurants Environmental Policy Statement"		<a href="https://www.whitbread.co.uk/governance/reports-policies/">https://www.whitbread.co.uk/governance/reports-policies/</a>
<b>SV-HL-310a.1</b>	Voluntary turnover rate for lodging facility employees	44%	47%	
	Involuntary turnover rate for lodging facility employees	3%	4%	
<b>SV-HL-310a.3</b>	Percentage of lodging facility employees earning minimum wage	0% are on minimum wage. All of our lodging facility staff earn more than minimum wage.	0% are on minimum wage. All of our lodging facility staff earn more than minimum wage.	

## Appendix

## SASB continued

SASB code	Accounting metric	Response/ report location 2021	Response/ report location 2022	Additional references/ comments
<b>SV-HL-310a.4</b>	Description of policies and programs to prevent worker harassment	There are many policies in place to prevent worker harassment. These policies are wide-ranging and cover everything from explaining what bullying, harassment and victimisation is and its impact, to what is expected and the potential interventions. Whitbread policies in place: Anti-Bribery Policy - Code of conduct - Gifts and Hospitality Policy- Workplace Adjustments Policy & guidance - Diversity and Inclusion Policy & guidance - Health and Safety Policy - Human Trafficking Positioning Statement - Speaking Out Policy - Modern Slavery Statement - Human Rights Policy - Transgender and Gender Identity Policy- Personal Relationships at Work Policy- Employing Offenders or Ex-Offenders Policy		<a href="https://www.whitbread.co.uk/governance/reports-policies/">https://www.whitbread.co.uk/governance/reports-policies/</a>
<b>SV-HL-000.C</b>	Total area of lodging facilities (m2)	2,740,741	2,951,063	

\*Refers to % of sites in regions with High or Extremely High Baseline Water Stress

The table above includes data from both the UK and German markets apart from the below which are UK only:

SV-HL-310a.1

SV-HL-140a.1 (water consumed and regions in high water stress)

SV-HL-310a.4



## Appendix

## Mandatory greenhouse gas reporting

Source of emissions	Scope	2022/23			2021/22			Total % change
		UK	Rest of the world	Total	UK	Rest of the world	Total	
Gas (T CO <sub>2</sub> e)	Scope 1	46,364	1,196	47,560	46,770	2,155	48,925	-2.8%
LPG (T CO <sub>2</sub> e)	Scope 1	2,590	0	2,590	2,221	0	2,221	16.6%
F-gas (T CO <sub>2</sub> e)	Scope 1	6,222	0	6,222	7,098	0	7,098	-12.3%
Business Travel (TCO <sub>2</sub> e)	Scope 1	6,875	128	7,003	5,338	133	5,471	28.0%
Electricity, district heating and EV charging (location based) (TCO <sub>2</sub> e)	Scope 2	66,152	9,415	75,567	67,143	6,525	73,669	2.6%
Electricity, district heating and EV charging (market based) (TCO <sub>2</sub> e)	Scope 2	4,604	3,433	8,037	2,777	3,238	6,014	33.6%
Gross Emissions (location based)	-	128,203	10,739	138,942	128,570	8,814	137,384	1.1%
Gross Emissions (market based)	-	66,654	4,757	71,412	64,203	5,526	69,730	2.4%
Floor area (m <sup>2</sup> )	-	2,650,020	301,043	2,951,063	2,616,379	124,362	2,740,741	7.7%
Tonnes carbon per m <sup>2</sup> floor area (location based)	-	-	-	0.0471	-	-	0.0501	-6.1%
Tonnes carbon per m <sup>2</sup> floor area (market based)	-	-	-	0.0242	-	-	0.0254	-4.9%
Gas (kWh)	-	253,993,123	6,549,394	260,542,517	255,349,480	11,766,080	267,115,560	-2.5%
LPG (kWh)	-	11,243,545	0	11,243,545	9,645,034	0	9,645,034	16.6%
Business Travel (kWh)	-	27,774,973	614,025	28,388,999	21,732,565	461,275	22,193,840	27.9%
Electricity, district heating and EV charging (kWh)	-	342,307,377	35,040,568	377,347,945	316,220,832	28,460,914	344,681,746	9.5%
Self-generated electricity via solar PV (kWh)	-	4,416,103	0	4,416,103	4,365,016	0	4,365,016	1.2%
Total (kWh)	-	639,735,122	42,203,987	681,939,109	607,312,926	40,688,270	648,001,196	5.2%

## Appendix

## Mandatory greenhouse gas reporting continued

In order to comply with the requirements of the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, we have amended our environmental reporting accordingly.

We have considered the six main greenhouse gases (GHGs) and report in CO<sub>2</sub>e for our Scope 1 (direct) and Scope 2 (indirect) CO<sub>2</sub> emissions. We have used the GHG Protocol Corporate Accounting and Reporting Standard methodology to calculate our emissions as well as DEFRA and International Energy Standards GHG Conversion Factors for Company Reporting.

Scope 1 includes emissions from the fuels we use in our hotels, restaurants and offices such as natural gas and liquid petroleum gas. It also includes CO<sub>2</sub>e from business owned vehicles which includes company cars and food logistics vehicles as we own the lease arrangements. CO<sub>2</sub>e from company cars is calculated using the manufacturers stated performance multiplied by an uplift stated in the DEFRA standards methodology paper.

Scope 2 relates to the indirect emissions associated with the generation of the electricity consumed in our sites including district heating. When defining the scope of our data we do not report on operations under Joint Venture agreements, or are fully franchised, where we do not have operational control such as Premier Inn (UAE). For reasons of materiality, small, one man, offices in Australasia and the Far East have been excluded. All other sites throughout the world are included.

Where possible we have reported billed or AMR (Automated Meter Reading) data. For those operations which are currently beyond our reporting capabilities, we have used an estimation model based on historic budgeted or billed usage.

In 2022/23 we continued our strong track record on the energy efficiency of our estate, with a focus around utilising our remote BMS control alongside energy management software to monitor and target sites to optimise energy reduction. We continued rolling out voltage optimisation in the estate to reduce energy consumption and costs.

We continued to trial new technologies, for example, we installed smart controllers to improve the efficiency of our space heating and cooling, and air source heat pumps for efficient hot water generation to reduce carbon. We have continued the replacement of grills to a more energy and carbon efficient alternative, this year installing 236 new grills across 118 sites, bringing the total of new grills to 756 since we started this project in 2018. We also utilised refurbishment projects to reduce energy consumption, for example through upgrading lighting to LED's.

22/23 is the first full year since 2019 that we have not been impacted by Covid lockdowns, therefore have been able to see more clearly the impact of the initiatives that we have implemented. We are pleased to see that the technologies that we have put in place have had an impact on our emissions, particularly the replacement grills implemented in 22/23 which we believe have accounted for 4-5% of our overall carbon reduction against base year.

In 22/23 we re-calculated our German floor space to formulate a more accurate average room size which we use for our carbon intensity calculations. This more precise data has meant an increase in average room size from 24m<sup>2</sup> to 38m<sup>2</sup>. This large jump has had an impact on our emission reduction, approximately 1.75%, therefore we know that this reduction is not due to reduced usage of energy but to an increased floor space, the carbon is spread out across a wider area. Now that we have a more accurate floor space for our German market, we will use this going forward to remain consistent year-on-year.

Our Scope 1 and 2 emission reduction and base data is assured by a third party to ISAE 3000 and to ISAE 3410 standards. The assurance statement can be found on page 60.

## Appendix

### Mandatory greenhouse gas reporting continued

#### Scope 3

This year we have calculated our Scope 3 emissions for the first time since our baseline year of 2018/19. Our emissions now stand at 468025 Tonnes CO<sub>2</sub>e. This is a reduction in intensity of 28.1% since our baseline year, or an absolute reduction of 13.8%. The majority, but not all, of our Scope 3 categories include our German business. These exclusions reflect our 2018/19 base year. We are working to improve our data sources to be able to include Germany in all categories going forward. The reduction we have seen this year is driven by an improvement in data granularity leading to a more accurate representation of our actual scope 3 emissions. We have also seen changes in operations and behaviour since Covid leading to consolidation of the supply chain, reduced business travel and an increased use of electric vehicles within the business. Some of the specific changes within the categories include:

**Category 1a** - Purchased goods and services (product)

In this category we saw a reduction of 16.1%, following analysis we have attributed these changes largely to modification of methodology. Our

2022/23 assessment contained a more granular dataset meaning that less assumptions had to be made throughout the calculations. Information such as: packaging weight, packaging type, mode of transportation and distance travelled all allowed a more accurate representation of our Scope 3 emissions to be calculated. Following global events such as Brexit and Covid-19 we have also consolidated our supply chain leading to a fewer number of suppliers; thus, reducing our sourcing locations and associated carbon emissions.

**Category 4** - Upstream transportation and distribution

Despite now only making up approximately 1% of our 2022/23 Scope 3 emissions, category 4 has seen 87.9% reduction from our baseline assessment; going from 37,756 t CO<sub>2</sub>e to 4,534 t CO<sub>2</sub>e. This substantial decrease can again be largely attributed to improvements in data collection and the methodology.

Previously, we used high level industry wide upstream emission factors for grouped categories. Since then, our calculation methods have improved to be significantly more catered to our own activities. We now consider the specific weight, distances, mode of transport and type of fuel used in transportation. This more accurate representation is lower than industry averages as over half of the total weight of sourced products come

from UK based suppliers, reducing distances travelled.

Furthermore, the reductions seen in category 1a due to consolidation of the supply chain will have had a direct knock on to category 4; thus reducing the total further.

**Category 6 & 7** - Business Travel and Employee Commuting

Category 6 and 7 have both seen a reduction in Scope 3 emissions from our baseline assessment to 2022/23. Following analysis, we have seen an overall reduction on the number of staff commuting daily and traveling for business since Covid-19. As these figures have not returned to pre-covid levels we expected to see this reduction. However, this reduction has been exacerbated by the rollout of electric vehicles within our company car fleet which has been positive.



## Appendix

# Independent Limited Assurance Report to the Directors of Whitbread Group Plc

This report is made solely for the use of The Board of Directors of Whitbread Group Plc (“Whitbread”) who engaged RSM UK Risk Assurance Services LLP to obtain limited assurance on the reported performance results of selected Force for Good performance measures (together the “Subject Matter Information”) as defined below and set out in Whitbread’s Basis of Preparation for the 2023 reporting year.

Our assurance conclusion does not extend to information in respect of earlier periods or to any other information included in, or linked from, the report.

## 1.1 Our Limited Assurance Conclusion

Based on the procedures we have performed, as described under ‘Work undertaken’ and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been prepared, in all material respects, in accordance with the Reporting Criteria set out in Whitbread’s Basis of Preparation 2023 and referenced

in the ‘Understanding reporting and measurement methodologies’ below.

This conclusion is to be read in the context of what we say in the remainder of our report.

## 1.2 Approach

The scope of our work was limited to assurance over the Subject Matter Information as set out in the table in Appendix A. The Reporting Criteria is set out in Whitbread’s Basis of Preparation 2023.

## 1.3 Professional standards applied and level of assurance

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) ‘Assurance Engagements other than Audits and Reviews of Historical Financial Information’, and, in respect of the greenhouse gas emissions, in accordance with International Standard on Assurance Engagements 3410 ‘Assurance engagements on greenhouse gas statements’, issued by the International Auditing and Assurance Standards Board.

A ‘limited assurance’ engagement is substantially less in scope than a

reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

## 1.4 Our independence and quality control

We applied the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply International Standard on Quality Control (UK) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards

and applicable legal and regulatory requirements.

## 1.5 Understanding reporting and measurement methodologies

The Subject Matter Information needs to be read and understood together with the Reporting Criteria, which Whitbread is solely responsible for selecting and applying. The Subject Matter Information is set out in Appendix A and the Basis of Preparation 2023.

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities and over time. The Basis of Preparation used for the reporting of the Subject Matter Information are for the 2023 reporting year.

## 1.6 Work undertaken

We are required to plan and perform our work in order to consider the risk of material misstatement of the Subject Matter Information. In carrying out our limited assurance engagement, we:

## Appendix

## Independent Limited Assurance Report to the Directors of Whitbread Group Plc

- considered the suitability in the circumstances of Whitbread's use of the Reporting Criteria as the basis for preparing the Subject Matter Information;
- through enquiries of Whitbread's management, including those with responsibility for Force for Good governance, management and reporting, obtained an understanding of Whitbread's control environment, processes and systems relevant to the preparation of the Subject Matter Information;
- evaluated whether Whitbread's methods for developing estimates are appropriate and had been consistently applied;
- obtained Whitbread's internal working papers to prepare the Subject Matter Information and checked whether this was consistent with the Basis of Preparation;
- performed limited substantive testing on a selective basis of the Subject Matter Information to check that the underlying information had been appropriately measured, recorded, collated, and reported, including:

- undertook site visits at a selection of Whitbread's Hotels, Offices and a third party operator site;
- reviewing the data collection and consolidation processes used to compile the Subject Matter Information, including the data scope and reporting boundaries;
- agreeing a selection of Subject Matter Information to corresponding source documents, including third party data;
- reperforming calculation of Subject Matter Information; and
- vouching emission factors used to independent external sources; and
- considered the disclosure and presentation of the Subject Matter Information.

### 1.7 Whitbread Group Plc's responsibilities

The Directors of Whitbread are responsible for:

- determining appropriate reporting topics and selecting or establishing suitable criteria for measuring or evaluating the underlying subject matter;
- ensuring that those criteria are relevant and appropriate for Whitbread and the intended users

- of the report;
- designing, implementing and maintaining internal controls over information relevant to the preparation of the Subject Matter Information is free from material misstatement, whether due to fraud or error; and
- producing the report, including underlying information and a statement of Director's responsibilities, which provides accurate, balanced reflection of Whitbread's performance in this area and discloses, with supporting rationale, matters relevant to the intended users of the report.

### 1.8 Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Subject Matter Information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Directors of Whitbread.

### 1.9 Use and distribution of our report

This report, including our conclusion, has been prepared solely for the Board of Directors of Whitbread in accordance with the agreement between us, to assist the Directors in reporting sustainability performance and activities. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors and Whitbread for our work or this report except where terms are expressly agreed between us in writing.

Signed

*RSM UK Risk Assurance Services LLP*

RSM UK Risk Assurance Services LLP  
25 Farringdon Street, London,  
EC4A 4AB  
24th April 2023

## Appendix

## The reported subject matter information

The Subject Matter Information subject to limited assurance procedures is set out below. The Subject Matter Information are the reported results for selected Force for Good performance measures for the 2023 reporting period. Whitbread's Basis of Preparation 2023 lists out the Force for Good performance measures, and reported results, as well as the Reporting Criteria used to prepare and report on the Subject Matter Information.

Pillar	Force for Good performance measure	UK/ Germany	2023 reported performance result ("Subject Matter Information")
<b>Opportunity</b>	In our leadership population*: xx% of female representation xx% of ethnic minority representation <small>* Leadership community is defined by all roles at grades C20+ that are UK based</small>	UK	40.4% female representation, 6.7% ethnic minority representation (Asian, black and mixed ethnicity)
<b>Opportunity</b>	The number of employees completing apprenticeship scheme in the year	UK	237 employees completing apprenticeship scheme in the year
<b>Opportunity</b>	xx% of promotions within Operations Management teams were internal	UK	64% of promotions within our salaried Operations Management teams were internal
<b>Opportunity</b>	In our workforce population: xx% of female representation xx% of ethnic minority representation	UK	Female 64.9% Male 35.1% Asian   Asian British 6.6% Black   African 4.1% Mixed Ethnic 4.6% White 75.3% No Record 8.1%
<b>Opportunity</b>	xx% of positive response to the question from our internal survey - 'Would you recommend Whitbread as a place to work'	UK	UK Operations: 78.7% UK Support Centre: 79.5%
<b>Opportunity</b>	The number of mental health first aiders	UK	121 active mental health first aiders
<b>Community</b>	The amount of money raised for the charity partner Great Ormand Street in the financial year	UK	£1,932,643 raised for charity partner GOSH in financial year
<b>Community</b>	xx% salt reduction based on 2017 baseline	UK	4.8% salt reduction
<b>Community</b>	xx% sugar reduction based on 2021 baseline	UK	24.1% sugar reduction
<b>Community</b>	xx% calorie reduction based on 2017 baseline	UK	3.4% calorie increase



## Appendix

## The reported subject matter information continued

Pillar	Force for Good performance measure	UK/ Germany	2023 reported performance result ("Subject Matter Information")
Responsibility	xx% of whole shell eggs sourced from cage free sources	UK	100% of whole shell eggs sourced from cage free sources
Responsibility	xx% of eggs used as ingredients sourced from cage free hens* * Relates to Whitbread own recipes only	UK	70% of eggs used as ingredients sourced from cage free hens* (relates to Whitbread own recipes only)
Responsibility	xx% of our raw beef range in the UK is produced to a recognised farm assurance scheme in its country of origin	UK	100% of our raw beef range in the UK is produced to a recognised farm assurance scheme in its country of origin
Responsibility	xx% of suppliers' risk assessed for human rights risks* * Assessments are based on both the supplier's country of operation and associated sector risk. 100% of suppliers receive a country risk assessment but only suppliers over £10,000 in annual spend receive both assessments	UK	100% Percentage of suppliers' risk assessed for human rights risks* * Assessments are based on both the supplier's country of operation and associated sector risk. 100% of suppliers receive a country risk assessment but only suppliers over £10,000 in annual spend receive both assessments
Responsibility	The number of meals donated to charity	UK	42,110 meals donated to charity in 22/23
Responsibility	xx% food waste reduction from our 18/19 base year	UK	11.88% food waste reduction from our 18/19 base year
Responsibility	Scope 1 and 2 greenhouse gas (GHG) footprint	UK and Germany	Group GHG location based: 138,942 Group GHG market based: 71,412 (Tonnes of CO <sub>2</sub> e)
Responsibility	Scope 1 and 2 GHG reductions based on intensity metrics based on 2016/2017 baseline year data	UK and Germany	52.51% reduction in Scope 1 and 2 emissions intensity against 2016/2017 baseline year
Responsibility	xx% of operational waste diverted from landfill	UK	99.96% of operational waste diverted from landfill
Responsibility	In 2022*, we sourced xx% of our cotton** as Better Cotton * Calendar year ** Relates to cotton in rented linen, guest guys the bedding and duvets and pillow purchases annually	UK	In 2022, we sourced 52.36% of our cotton* as Better Cotton (Calendar year)

# WHITBREAD PLC

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