

Enabling people to live and work well

MAKING APOSITIVE DIFFERENCE

Environmental, Social and Governance Report 2020/21

WHITBREAD PLC





FORCE FOREnabling people toGOODlive and work well

A FORCE FOR GOOD

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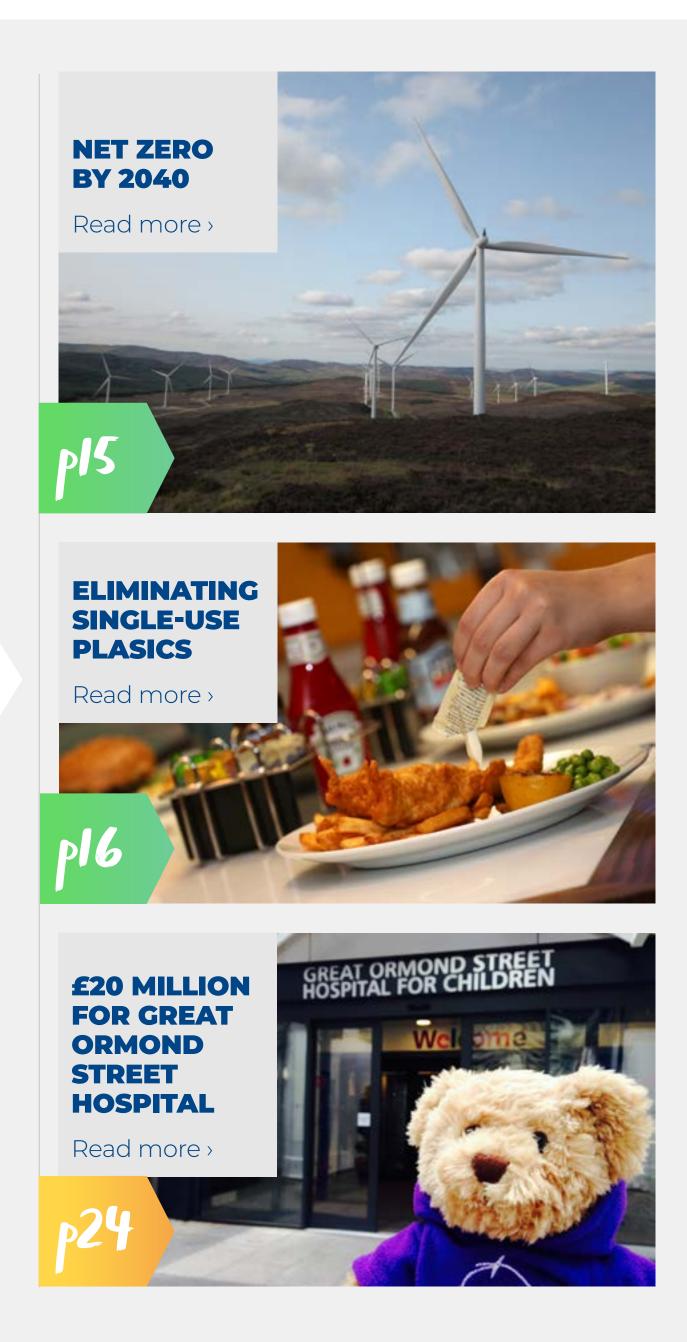
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APOSITIVE

Foreword Alison Brittain – Chief Executive



Whitbread plc is one of the UK's leading hospitality businesses and we are passionate about using our scale and size to make a positive difference to people's lives, our communities and the world in which we operate. We recognise the huge imperative to act now, in order to help to tackle the great issues of our time; from climate change to diversity, single-use plastic, and equality.

We do not underestimate the position we are in to leverage change for the better and to meet the demands of our customers and our teams.

For Whitbread, environmental, social and governance matters are about ensuring our purpose lives in everything we do. We want to provide quality, affordable hotels for our guests to help them to live and work well and to positively impact the world around us. We also aim to provide meaningful work, skills and career development opportunities for our teams, with no barriers to entry or limits to ambition.

That's why our Force for Good agenda is so important to us and makes us the forward-looking, sustainable and successful business we are today. Being a Force for Good is a fundamental part of our 278 year history and we have built on the legacy of our founder Samuel Whitbread, who himself started his career as an apprentice. For the last 10 years, we have had a focused sustainability programme and as you will read in this document, our focus will continue to get stronger.

Today, sticking by our values and our purpose continues to guide us to ensure we're doing things the right way, not only for our people but also for the wider society so we can continue to be a Force for Good for the long term.

This year, the world has been tested and it remains crucial to us that we play our part in the battle against COVID-19, with our teams and our communities at the heart of our response. Whilst the rest of our estate was closed in line with official guidance during the first UK lockdown, we kept 39 hotels open to provide essential support to front-line workers. Colleagues volunteered to help our local communities and we donated over 500,000 meals to food banks and charities. We topped up the pay for all of our staff and our teams responded magnificently to the challenges of the pandemic. We continued fundraise for Great Ormond Street Hospital despite our sites being closed, raising over £100k during this difficult period.

We have thought about our Force for Good strategy very carefully and we recognise that the demands of customers and broader society on businesses are evolving. We have taken feedback from our guests, our teams and from external stakeholders. That is why we have designed a sustainability programme which is future facing, and continues to focus on the most material issues to our business and our society.

Force for Good is a shared responsibility across our business and together we continue to make progress towards our goals.

Actions speak louder than words and so we have set industryleading targets across our business, committing to eliminate unnecessary single-use plastics and cut food waste in half. We responsibly source all our fish and trace our famous steaks from farm to fork and we've reduced our carbon emissions intensity by 39.8%.

Investing in our team members is vital to support the development of skills and knowledge. We've seen over 1 million digital learning course completed so far in 2020.

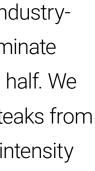
Since 2012, we have partnered with Great Ormond Street Children's Hospital and raised over £17 million to help fund a new clinical building and sight and sound center. We have also partnered with Derwen and Hereward colleges, to support those with learning difficulties and disabilities find opportunities in a workplace.

This document allows us to showcase the breadth of work at Whitbread across the ESG agenda, using our Force for Good strategy to ensure all our stakeholders can live and work well.

Miser Brittain

Alison Brittain Chief Executive







OPERATING **RESPONSIBLY** AND SUSTAINABLY

OPPORTUNITY

A team where everyone can reach their potential. No barriers to entry and no limitations to ambition.

COMMUNITY

and communities we serve.

Teams

- Championing inclusivity and improving diversity
- Industry leading training and development
- Team member wellbeing is considered in everything we do

Environment

- Science-based targets to reduce our carbon emissions intensity
- Eliminating unnecessary single use plastics
- Reducing food waste

- their mission
- Community engagement e.g. volunteering schemes

Attract more customers

Lower energy consumption \square

Increase productivity 📈

Benefit local communities

Being a Force For Good in all we do supports our visi of enabling people to live and work well



Enabling us to drive growth at good returns and deliver long-term value

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APROGRAMME FIT FOR OUR MOST **MATERIAL ISSUES**

Being a Force for Good in all that we do at Whitbread means enabling people to live and work well. Whether you are staying in our hotels, have a share in our business or work for one of our suppliers, we have a responsibility to do the right thing by all our people.

We know that being a Force for Good is not only the right thing to do, but it makes business sense too. With 278 years of history behind us, we truly understand the importance of making decisions now, that will have a positive impact in the future, for our business, our teams, our guests and wider society. The challenges of COVID-19 have reinforced the importance of doing the right thing at Whitbread and further underlined our commitment to our stakeholders.

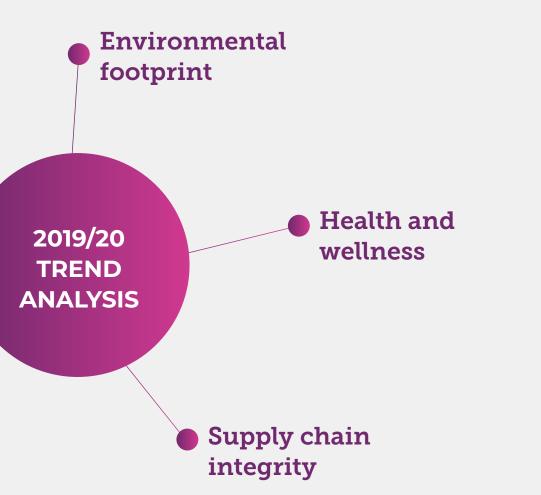
Each year we undertake a robust materiality process to inform our sustainability strategy – Force for Good, the programme through which we can tackle the risks and opportunities presented at this time of great social and economic change.

2020 was a critical year for some of our historic targets, therefore we took the opportunity to undertake learnings from our stakeholders and from wider sustainability trends to identify which programmes and issues needed our focus and to reset our targets ensuring they are fit for our current business.

MATERIALITY ASSESSMENT OUTCOMES

Trends from our teams and guest insight: Team wellbeing • Single-use plastic usage **External trend insight: Demands of future** workforce Localness







Head of Sustainability at Whitbread

"Whitbread is tackling the complex social and environmental challenges that we face, today and for the future. We know that focus, direction and collaboration is required to make positive and impactful change. Our specialist sustainability function helps to align Whitbread's sustainability programme to the overarching business strategy whilst also providing specialist support to solve sustainability challenges. We remain focused on being a Force for Good even in the most challenging business environments and are proud of our ability and progress thus far to enable our people to live and work well."

live and work well



A FORCE FOR GOOD-ENABLING PEOPLE TO LIVE **AND WORK WELL**

We have always been about people, and we always will be. It was clear from our materiality assessment that our stakeholders saw people as the heart of our business. That's why it makes sense that our sustainability programme is all about people too. Our sustainability strategy is called Force for Good and it has an ambitious vision to enable everyone - our customers, team members and suppliers - to live and work well.

Force for Good is grouped into three key pillars - Opportunity, Community and Responsibility. Within each area, we've set longterm strategic commitments that we believe will help us reach our goal of enabling people to live and work well. From our materiality

FORCE FOR STRATEGY

OPPORTUNITY

A team where everyone can reach their potential. No barriers to entry and no limitations to ambition.

We will be for everyone, championing inclusivity across the organisation and improving diversity

We will have industry leading training and development schemes

Team member wellbeing will be considered in everything we do

assessment, we have reset these commitments this year, and under each one we have set ambitious targets to quantify our progress and keep our focus strategic; from eliminating singleuse plastic to raising millions of pounds for Great Ormond Street, you will find all of the work we're doing against these targets throughout this report.

Find the full table of targets on page 24.

COMMUNITY

Making a meaningful contribution to the customers and communities we serve.

We will make a positive contribution to the communities we serve

Working collaboratively with our teams and supply chain, we will support our charity partner to meet their mission

We will support the wellbeing of our guests and customers

RESPONSIBILITY

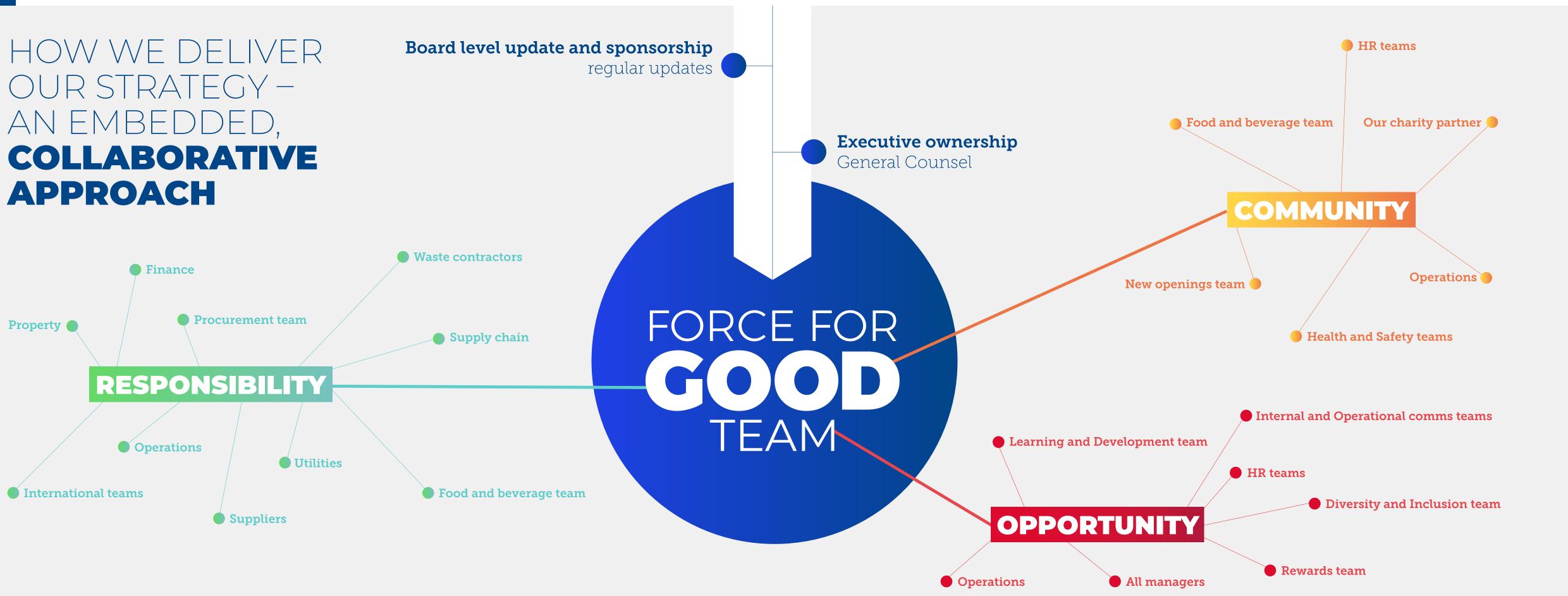
Always operating in a way that respects people and the planet.

We will source responsibly and with integrity

We will reduce our environmental impact

We will always do business in the right way





We work hard to make being a Force for Good everyone's job. We dedicate time to embedding our programme across our business, setting accountability and ensuring this programme lives and breathes in everything we do.

This means that certain targets, KPIs or projects are owned and delivered by relevant business functions.

Our core sustainability team pride themselves on being the driving force behind the programme, agitating for change and driving a focused and material strategy. Ultimately, however, the success of our programme is down to how we all work together, with everyone playing their part to enable and embed positive change.

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We strive to strike the right balance between clear disclosure on key indices that map to our material issues, whilst also not throwing the net too wide to duplicate reporting. We currently report annually on Dow Jones Sustainability Index (DJSI) and the Carbon Disclosure Project (CDP). In the next financial year, we will be working towards providing a response to the Taskforce on Climate Related Financial Disclosures (TCFD) recommendations.

This document allows us to outline how we deliver our programme, how it lives and breathes in our business and some of the key ways we continue to be a Force for Good for all our people.

In order to deliver a fully embedded sustainability programme, we need robust governance structures in place that both support and hold all relevant stakeholders accountable.

GOVERNANCE AT WHTBREAD

FORCE FOR GOOD







CLEAR GOVERNANCE WITH FORCE FOR GOOD EMBEDDED THROUGHOUT OUR **DECISION MAKING**

Whitbread's Board consists of the Chairman, three executive directors and seven independent non-executive directors. The Board has three committees:

- The Audit Committee
- The Remuneration Committee
- The Nomination Committee

In advance of each Board or committee meeting, relevant papers are circulated so that directors have sufficient time to review and arrive at the meeting fully prepared. Rolling agenda items ensure that time is allotted throughout the year to consider key matters, including those relating to Force for Good and ESG. For example, sustainable procurement, the use of single-use plastic and diversity and inclusion.

Below Board level, there is a governance structure with clear terms of reference and delegated levels of authority for each body. The structure includes the executive committee, a risk committee, a people committee and a technology committee. This structure provides a clear focus on appropriate and strong controls, checks and balances. In addition, specialist forums are established as necessary for subjects such as diversity, sustainability, procurement and supply chain. Meanwhile the Employee Forum allows team members across the

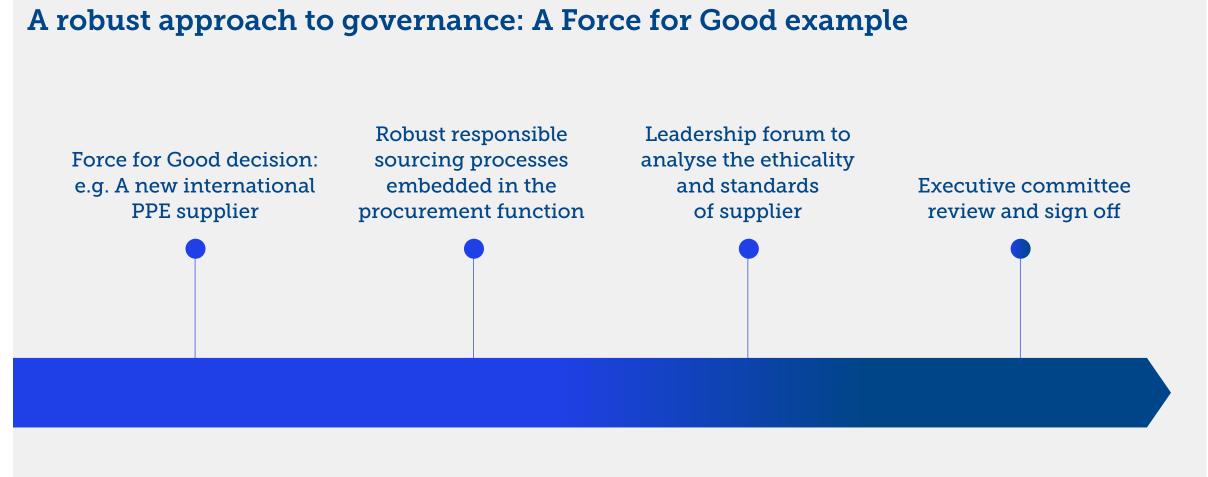
organisation to provide input into the Company's strategy and decision-making ensuring that from the top of our business our people's voices are heard.

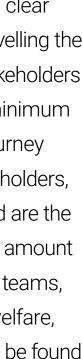
These clear structures allow a robust approach to governance for ESG matters. For example, the supply of Equipment (PPE) was a key requirement during the COVID-19 pandemic to ensure our teams and guests were kept safe. This procurement decision was made in line with established Force for Good processes and policies at the team level as well as being taken through leadership steering meetings and finally to our executive committee.

POLICY AND PROCESS

Understanding the importance policies play in creating clear minimum standards for our stakeholders is critical to levelling the standard across Whitbread. These policies hold our stakeholders accountable and allow us to continually improve our minimum standards and take our teams and suppliers on this journey with us. We have a code of conduct across all our stakeholders, anti-corruption and anti-bribery are non-negotiables, and are the foundations for acting responsibly. We also have a large amount of robust policies for our suppliers, our guests and our teams, covering areas such as responsible sourcing, animal welfare, health and safety and whistleblowing policies, which can be found on whitbread.com website.







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COVD-79RESPONSE

2020 has been dominated by the impact of the evolving COVID-19 pandemic. In response, we took rapid and decisive action to protect our teams, our guests, our communities and our shareholders, to secure our business and ensure that we are in the best possible position to rebound strongly. Being a Force for Good has never been more important.

£100,000

raised for Great Ormond Street Hospital by team members during lockdown



team members trained in COVID-19 secure standards

500,000

meals donated to charities such as FareShare

Premier Inn

Having taken every step we could to ensure that we had the financial capability to withstand the initial period of lockdown, our focus turned to reopening and positioning ourselves for a successful recovery. During the height of the pandemic, being a Force for Good was right at the heart of our response; we kept 39 hotels open to support key workers and we have supported in feeding the nation through our supply chain.



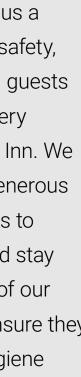




CLEANPROTECT

Having hotels open for the nation's key workers gave us a head start in implementing new and comprehensive safety, health and hygiene protocols that give our teams and guests the reassurance that we can continue to deliver the very high-quality standards that they expect from Premier Inn. We have branded this promise as 'CleanProtect' and 'A generous serving of safety' at all of our sites. Our promise seeks to give guests extra peace of mind so they can book and stay with confidence. What's more, we employ every one of our housekeeping team directly, meaning we're able to ensure they maintain the highest standards in cleanliness and hygiene training.





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Providing great experiences for our customers starts with providing great experiences for our teams. Given the training to succeed and the opportunity to progress, our happy and healthy teams are the key to exceeding our customers' expectations.

() | | | | | | |TEAMS

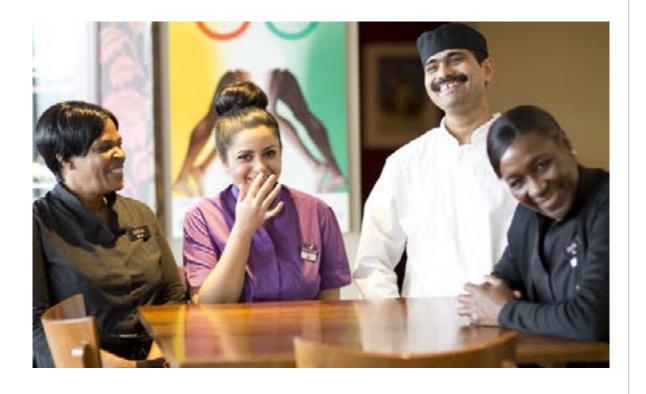
FORCE FOR **GOOD**







CHAMPIONING INCLUSIVITY AND IMPROVING DIVERSITY



inclusivity groups available for our teams



members are female



Hospitality Employer in the UK for apprenticeships Creating an inclusive environment for our colleagues is crucial to Whitbread. Our Force for Good aspiration, revised in 2019, states 'We will be for everyone, championing inclusivity across the organisation and improving diversity'. Never before has Whitbread put such a focus on getting better, or on demonstrating our commitment to change.

Across our workforce, 9% of our employees identify as BAME, 66% of our employees are female along with 35% of our leadership population and we are led by a female CEO. We have an active LGBTQ+ network, known as GLOW, which is a community anyone can join across the organisation. We also have four other inclusivity networks that each have executive sponsorship.

However, we acknowledge that there is much more we need to do to be diverse and inclusive to ensure our workforce matches the diverse range of customers we welcome every day. The concepts of diversity and inclusion truly go hand in hand, following in-depth listening groups we have created a new strategy that is brought to life through 8 internal commitments for change.

Initiatives over the next 12 months will include reworking our networks, reviewing our people policies and awareness raising for both our leaders and our teams. Whilst we are already talking about our commitments internally, as we move into 2021, we will be talking more about our commitments and our progress externally as well. It is important that before before we communicate these targets externally, we demonstrate our commitment internally, to deepen our understanding of what inclusion means to those who work at Whitbread, to ensure that everyone feels respected and represented.

AREAS OF CLEAR FOCUS:

• Inclusive leadership training for all our leaders, helping them to be visible and vocal allies of the programme

- New internal diversity targets for representation at senior levels across the organisation. These targets will help us focus our attention on recruiting and promoting more diverse talent than ever before
- Adding to our LGBTQ+ network with a complement of three additional networks that help our minority groups to have a greater voice and help us drive change

THE IMPACT OF BLACK LIVES MATTER:

Black Lives Matter has impacted our people personally and has made us think about our business commitments to change, both within Whitbread and what we contribute to society as a Force for Good

- We spent much of last year listening to our teams about how inclusive we are, with a focus on ethnicity seeking the views of colleagues from Black, Asian and other ethnic minority backgrounds
- We want to respond to Black Lives Matter in a way that is authentic, considered and drives change rather than just words

ACTIONS TO DRIVE CHANGE:

Whitbread, and everyone who works here, has a role to play, both personally and collectively, in bringing about positive change.

- We have set up our first Race, Religion and Culture network to allow our colleagues to be part of the change they want to see, driving us to be a more inclusive business
- We have invested in the creation of a new diversity and inclusion centre of expertise, allowing us to have an unrelenting focus on this agenda
- We have given our leaders tools and resources to start to equip them to have conversations around race. More is to follow with mandated leadership development in early 2021
- We celebrated Black History Month for the first time internally
- We have signed the Business In The Community (BITC) Race at Work Charter



Premier Inn Regional Operations Manager and LGBTQ+ Group Lead

"Creating an environment of inclusion must take on two forms; the ability for our LGBTQ+ community to have the space and network to be authentic and feel safe in the workplace, alongside the explicit inclusion from others through policy, role models and listening forums. We have worked hard to celebrate and educate our teams on events such as LGBTQ+ History Month and Pride at Whitbread. There will always be work to do, to strive for systemic inclusion through every part of our business, but I'm proud to know we're able to make these steps by being listened to, supported and seeing the change."

secing the change



INDUSTRY-LEADING TRAINING AND DEVELOPMENT



TRAINING AND DEVELOPMENT

Industry-leading training and development is a part of Whitbread culture. Supporting our teams and giving opportunity to our team members is part of our DNA. It allows us to secure a future pipeline of exceptional talent. We have always run structured development programmes for our teams with the aim of advancing their careers and we specialise in apprenticeship programmes having been rated the number one provider in hospitality for our apprenticeship provision. Training and development did not stop for the pandemic, this year over 1 million digital courses have been completed by our teams. We were one of the very few hospitality employers that continued apprenticeship delivery and during this period, starting over 350 team members on their apprenticeship.

TEAM MEMBER WELLBEING IN EVERYTHING WE DO

Wellbeing is a key factor for teams to feel happy and engaged at work, bringing their best service for our guests and customers. Alongside a varied and competitive range of benefits, we work closely with Hospitality Action, our employee assistance partner. Hospitality Action provides free, independent support and services to all our team members 365 days a year 24 hours a day. Support ranges from a 24/7 hotline if any employee feels they need immediate support, through to financial support and grants. Alongside this, we know how important and reassuring it can be to have someone in your business to support you. Last year, we trained all our HR business partners to become mental health first aiders, this helps to provide much needed support to teams when it matters most, in a safe and trusted environment.

Nelbeing

Weekly wellbeing communications and tips for all our teams

Mental Health First Aiders

We have trained all HR Business Partners to be 'mental health first aiders' for our teams

24/7

Free, independent employee assistance programme available to all employees



Over 1 million digital learning courses completed in 2020



Marie

Premier Inn Hotel Manager

"I have used Hospitality Action twice and both for bereavement support. The first time was when my children lost their father suddenly and I felt they needed some support. I have also used Hospitality Action recently to speak to counsellors about the anger and upset I have over losing my my own father to COVID-19. On both occasions I have found them to be very supportive and fast in their response."

very supportive and fast





WE LISTEN TO OUR TEAMS



It's our intention to ensure that everyone within Whitbread feels listened to, whether it's through taking part in a survey, a listening group, the employee forum or through regular conversations with the line manager. We know that we can learn a huge amount from each other and setting up channels to ensure teams can support business decisions is crucial.

WHITBREAD EMPLOYEE FORUM

Whitbread's employee forum, which we call Our Voice (a name chosen by our workforce) was set up in 2018 to ensure that the views of our team members are considered in decision making. Our Voice representatives are elected by their peers and regularly meet with senior leaders across the business to share feedback and ideas that help us better serve our customers and teams.

Our Voice representatives were instrumental in bringing in our 'Team Feed' benefit across operations. Our Voice representatives identified the discount offered for team members to purchase meals whilst working. Supporting teams in purchasing a nutritious hot meal when on a shift was a clear benefit for the wellbeing of our teams and an important suggestion. This suggestion led to all team members now having the ability to purchase a hot meal for a fixed price of £2 when they are at work.

These listening channels allow our teams to not only give their view on our business and our Force for Good agenda, but to shape it too. We can see our teams are passionate about making a positive difference and we will continue to work with them to harness their commitment and enthusiasm.

Communications flow

TEAM MEMBERS

- Employee experience is measured
- We understand our teams; as individuals
- There is trust and confidence in leadership
- Everyone in Whitbread feels listened to on a regular basis

LISTENING CHANNELS

- Employee forum
- Exit surveys
- Listening groups
- Project-focused listening
- 'Back to the Floor'

SHAPING DECISION MAKING

- Business decisions are balanced and informed through strong, consolidated, people insights
- Managers use insights to curate positive local employment experiences







From climate change to single-use plastics, environmental impact is at an all-time high and as a big business we have a clear responsibility in supporting and driving local, national and global change.

ENVIRONMENT



NET-ZERO BY 2040

Carbon emissions continue to be a huge focus for our business and reducing emissions is an ethical and economic imperative. We are very proud to have a huge target to reduce carbon emissions intensity by 50% by 2025 and become net-zero by 2040.

We had the first battery powered hotel

reduction in carbon emissions



renewable energy powering our estate



of our sites have solar panels

CARBON REDUCTION INNOVATION

We continue to trial cutting edge technologies that will form the investment programme of future years

- We have installed advanced heat recovery boilers and air source heat pumps for efficient hot water generation
- In 2018, our Edinburgh Gyle hotel became the first battery powered hotel in the UK
- We will significantly increase the provision of electric vehicle charging points at our sites
- We continue to monitor innovations in areas such as green gas, F gas and the electrification of vehicles
- We are mapping our business for Scope 3 emissions

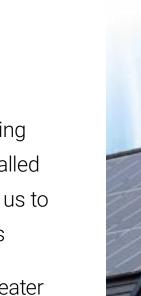
CARBON FROM OPERATIONS

- We use 100% renewable electricity in all our UK freehold sites
- To date, we have achieved an overall carbon intensity reduction of 39.8%
- We invest heavily in the efficiency of our estate, focusing on control of our electricity usage. In 2019/20 we installed a further 105 building management systems allowing us to actively monitor and control consumption on our sites
- We have installed new technology grills in all our Beefeater sites, resulting in a reduction in gas consumption
- We have retrofitted low energy lighting across our estate where it wasn't already installed
- We now have solar panels at over 180 sites

TASKFORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE

Climate change has never been more prominent, and it has never been more important to act than it is now. It is critical that we work to mitigate the impact climate change could have on our people, our products and our supply chain.

We are fully supportive of the recommendations from the Taskforce for Climate Related Financial Disclosure (TCFD). This year we are working towards reporting our climate change impacts within the TCFD framework, including collating infomation and designing processes to enable us to report collating information and designing processes to enable us to report our progress towards meeting the TCFD recommendations. This will be documented within our next Annual Report.







Hotels fit for the future

Every new hotel opening in our estate is an opportunity to ensure high standards of energy and water efficiency in our new buildings.

As a minimum, all new self-build Whitbread hotels in the UK are designed to achieve a BREEAM rating of very good and above. However, we strive to lead the industry and go beyond our minimum.

The Hub by Premier Inn hotel at St Martins Lane in central London was the first BREEAM 'Outstanding' hotel in the UK when it opened in 2014. We achieved the standard again at Premier Inn Tolworth.

the first Gutstanding'





WE'RE ELIMINATING SINGLE-USE PLASTIC FROM OUR BUSINESS



Removing

of single-use packaging removed from uniforms

sachets from our business

WE WILL ELIMINATE UNNECESSARY SINGLE-USE PLASTICS

Single-use plastics is one of the most crucial material issues for our teams, our guests and our environment. The vast majority of plastics at Whitbread are found at the back of our hotels and restaurants through food, drink and laundry packaging. We know eliminating this waste won't be easy, but we are committed to reducing our impact on the environment.

We already have a great track record of minimising the use of single-use plastics, becoming the first hotel group to stop the use of plastic straws and stirrers and, unlike many other hotel operators, we have never used miniature shower products. However, we have more to do in order to remove single-use plastic from our business, by working with our suppliers, innovating and driving change.



WORKING TOGETHER TO REDUCE OUR IMPACT

In order to meet our ambitious target, it's crucial we work with our suppliers to review the single-use plastic in our business. We're proud that we have relatively low levels of consumer facing single-use plastic, but we do know that much of the plastic in our business is present in the products we buy. For example, each uniform we buy (for our 30,000 team members) was delivered in single-use plastic wrapping. With the support of our kitchen uniform supplier, we have removed unnecessary plastic wrapping resulting in a two tonne reduction of non-recyclable, singleuse plastics per annum. We're continuing to deliver projects similar to these allowing us to focus on where we can make the biggest impact for our own business and our supply chain.

CUTTING FOOD WASTE BY 50% BY 2030

WE WILL CUT OUR FOOD WASTE BY 50% BY 2030

We recognise that food waste is a significant issue across the UK and in response, we have set a new target to cut our food waste by 50% by 2030. We now have clarity on how much, what type and why we have food waste across our business and have begun work to reduce it where immediately possible. Examples include: adapting our current menu offerings to maximise the usage of committed stock both in our freezer stores and with our suppliers, opening post lockdown in July with a reduced menu to maximise usage of ingredients within out current store cupboard.

WE'RE HALVING FOOD WASTE BY:

Developing our dishes:

- Ingredient pack sizing is carefully considered for portion control and flexibility
- We work with suppliers to reduce waste across the supply chain
- We have quality contracts on all our own developed and selected ingredients to clearly define exact quality standards and reduce quality rejection
- We partner with FareShare and The Real Junk Food Project to donate excess food from our distribution centres
- We plan portion sizes carefully to ensure great value for money and empty plates

500,000 meals donated to

charity partners



At our sites:

- Sites have food storage space to plan for capacity and avoid over ordering
- We reduced our menu offering to maximise the use of committed stock during the COVID-19 period
- We have a 'specials' procedure for our innovation chefs to create delicious dishes using excess stock
- Our dishes have exacting specifications and our chefs are trained to deliver these to our high standards to ensure customers are delighted and returns are at a minimum
- We have reduced our cupboard of ingredients from over 1,300 ingredients to approximately 800 eliminating duplication, maximising the usage of a core store cupboard, reducing redundant stock and helping to drive quality and efficiency
- Product life is optimised by only defrosting and/or cooking food that is needed
- Stock is rotated in storage areas to ensure that we use the food with the shortest date first

End of life:

- We record our food waste to identify trends in what is being thrown away so that we can plan projects to reduce this
- None of our food waste goes to landfill, any food waste left at the end of this chain is used for creating energy



It is incredibly important to us to know where our products and services come from, to ensure our products are sourced sustainably, and that there are no human rights or other violations present in our business or anywhere in our supply chain.

OUR SUPPLY CHAIN

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INDUSTRY-LEADING RESPONSIBLE SOURCING PROGRAMME



Ranked second in our sector on the Dow Jones Sustainability index

100%

We risk assess 100% of our tier 1 supply chain for human rights risks To ensure human rights are respected across our business and supply we must understand where our products and services come from, to support our aim to source sustainably. Our policies are crystal clear on this. We are incredibly proud of our strong supplier relationships. These relationships are crucial for us to build long-term, strategic partners and have clear and fair terms and conditions that we all stick to.

We undertake significant due diligence on our suppliers, and we have a robust ethical audit programme to ensure all suppliers are working in line with our minimum standards. In 2020 we have made a significant new commitment to respect the human rights of workers across our supply chains.

We recognise that audits are just one part of responsible sourcing and we strive for 'engagement over audit'. This means, in sectors of high risk, we work directly with the suppliers to drive industry change. We also have clear stages of due diligence from contractual minimum standards in our responsible sourcing policy to sector specific engagement programmes.

COVID-19 – SUPPORTING OUR SUPPLIERS

- During the COVID-19 situation, we ensured that we have kept our suppliers updated on our actions in line with our standard collaborative approach
- Continued to pay our suppliers, many of which are small or medium sized businesses, in a timely manner
- Updated our responsible sourcing policy to ensure we are supporting suppliers to operate safely



Griffiths Family Farms

Griffiths Family Farms Whitbread Egg Supplier

"We were one of the first suppliers to go through Whitbread's responsible sourcing and audit programme and we approached it with total transparency. There were a number of areas that needed addressing, but rather than issue ultimatums and demand immediate corrections, the Whitbread team worked with us, really got to understand our business and have provided great support across a number of levels over the last three years. We have made major investment in new personnel and operational changes throughout our business, resulting in a cultural step change and significantly higher levels of staff engagement. This process has had a very positive impact across our business and Whitbread have played a major supporting role."

a very positive impact





100%

wild-caught fish is

MSC certified

WE AIM TO PROCURE 100% OF OUR CRITICAL COMMODITIES **SUSTAINABILITY**

Beter Coton nitative

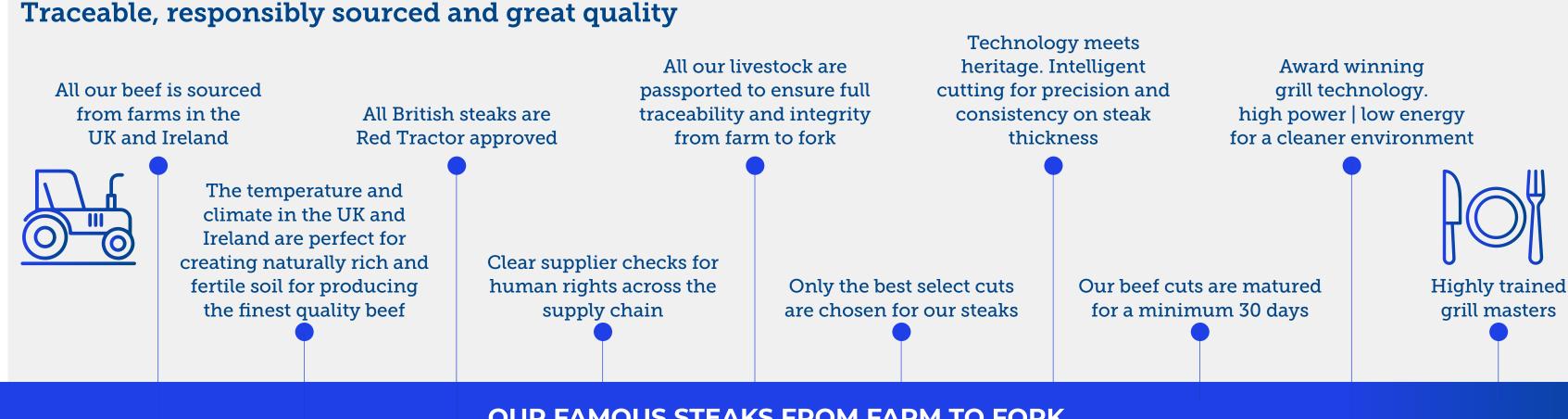
First large hospitality company to become Better Cotton Initiative (BCI) members to support a sustainable cotton solution

Traceable, responsibly sourced and great quality

are cage-free

100%

of our whole eggs



OUR FAMOUS STEAKS FROM FARM TO FORK

It is core to our Force for Good programme that we strive to enable people to live and work well across our value chains, as well as recognise the importance of operating a sustainable and traceable supply chain. Our industry-leading responsible sourcing programme assures that the products and services we source are produced ethically.

TRACEABILITY WHEN IT MATTERS MOST

We are proud to have invested in farmer communities in Pakistan supporting over 1,600 farmers in sustainable agriculture in partnership with CottonConnect, as well as becoming the first large, budget hotel chain to become Better Cotton Initiative members. All our whole eggs are cage free, 100% of our wild-caught fish is Marine Stewardship Certified (MSC) certified and we're Roundtable on Sustainable Palm Oil (RSPO) members as we work towards certified, sustainable palm oil.



Jason Nunn

Director of Business Engagement STOP THE TRAFFIK

"STOP THE TRAFFIK are proud to have partnered with Whitbread since 2016. They have consistently demonstrated the drive to go beyond just compliance and are leading prevention best practice. By engaging with suppliers to support them in improving their processes and by evaluating and adapting internal procedures, Whitbread have demonstrated their commitment to preventing modern slavery."

engaging with suppliers





Across our hotels and restaurants we are committed to supporting the wellbeing of our guests and customers. We passionately believe in serving delicious, great quality, responsibly sourced, affordable food and drink as well as ensuring our hotel guests get a great night sleep in our responsibly sourced and sustainable beds.

CUSTOMER WELLBEING

FORCE FOR GOOD





20% **REDUCTION** IN SUGAR



CUSTOMER WELLBEING

Health, allergens and inclusivity is crucial in ensuring that we can welcome the whole family to our restaurants, for any occasion. We continually track the market and listen to our guests and always make allergen infomation easily available alongside full nutritional detail on our website.

We care about all our guests, especially our youngest ones. This is why we've designed our kids' menu with the help of our nutritionist. We promise to provide carefully controlled levels of calories, fat, saturates, sugar and salt, to meet the nutritional needs of children to include two of their five a day in all our main meals. We offer delicious vegetarian options andwe never use artificial colours or flavours. We have led an industry initiative to reduce sugar content in our menus by 20%, a target achieved by re-formulating many of our menu items. We have also reduced salt and calorie content in many dishes. Brewer's Fayre are proud to be Peas Please pledgers, committing to ensuring that our children's meals include at least two portions of veg through our new menu developments and also committing to continuous progress thereafter.





At Premier Inn, to enable our guests to live and work well, we are all about the comfort that our guests can count on.

THE BED

We are proud of the luxury king size Hypnos bed in each of our Premier Inn rooms. It's the heart of having a great night sleep. We work with UK manufacturer Hypnos to ensure our beds are 100% recycled at the end of life and we have recently become Better Cotton Initiative members helping to ensure a sustainable cotton solution in all our beds.

FLEXIBILITY WHEN OUR GUESTS NEED IT MOST

In March 2020 as the pandemic began to impact the UK hospitality sector, we recognised that increased flexibility was required in our booking conditions. During this time, whilst many other hotel companies stood firm on their no-refund policies, Premier Inn made the decision to allow amends to non-amendable bookings to offer peace of mind if a cancellation was needed at late notice. In response we also created a range of new, great value flexible rates to cater to the ever-changing circumstances and our guest needs.



We are a big team here at Whitbread, and when each of us plays our part, we can make a huge difference for our customers and communities near and far. Through our passion for fundraising and finding new ways for our sites to serve the community we know that together, we truly can be a Force for Good

COMMUNITIES



£20 MILLION TO BE RAISED FOR GREAT **ORMOND STREET** HOSPITAL

We are a big brand with hotels and restaurants in almost every community in the UK. We know we have a responsibility to bring with us a positive impact not just for those that will enjoy our products, but also for the local economies we operate in.

The 19 Premier Inn hotels in our UK pipeline for 2020/21 are estimated to bring in 1.3 million additional leisure and business visitors equating to a huge £44.3 million in visitor expenditure per year. During construction we can support the creation of jobs with approximately 540 gross direct FTE jobs on and off site over an average of a two-year construction period. We are committed to recruiting locally where possible.



GREAT ORMOND STREET HOSPITAL

Premier Inn and Restaurants have proudly been supporting Great Ormond Street Hospital Children's Charity since 2012, when it pledged to raise £7.5 million towards a brand new medical facility at the hospital. The Premier Inn Clinical Building, named in honour of the partnership, officially opened in January 2018, and provides state-of-the-art facilities including new in-patient wards, operating theatres and a day care unit, to match the hospital's world-class care.

Once the Premier Inn Clinical building was open, we didn't stop there. Most recently we've pledged to raise £20 million for Great Ormond Street in total. These funds will help fund a brand new Sight and Sound Centre This will be a specialist outpatient centre tailored to the needs of children with sight and hearing loss, and is due to open in 2021.



3,000+ Over 3,000 hours donated since 2017



A FORCE FOR GOOD

Chris Vaughan General Counsel



As the Executive sponsor for our sustainability programme, Force for Good, I am incredibly proud to present our approach to ESG issues and our Force for Good strategy. We have a history of taking action to tackle these issues, and we have a bold plan for the coming years.

Our Force for Good plan has buy in across our business, enabling us to utilise all of the skills and expertise of our teams to help deliver our objectives. All of this effort will be required for us to deliver on our key targets.

We have already achieved a lot, but we know there is a lot more to do. That's why setting new and stretching targets is essential and gives us something to measure ourselves against.

PLASTICS

Our commitment to remove all unnecessary single-use plastic by 2025 is going to be tough. It will involve removing singleuse plastic products that customers can see and experience and also reach every part of our organisation and supply chain. We believe there is a better way to deliver our product, which does not produce plastic waste as a by-product. Over the coming months we will be engaging with our major suppliers to take them with us on this journey.

We already have a strong track record in reducing our emissions. In 2018, Whitbread set a science-based target of reducing carbon emissions intensity by 50% by 2025 and by 84% by 2050. We have currently achieved a reduction of 39.8%. We wanted to go one step further than this, and have since updated our target to aim for net-zero carbon emissions by 2040. We know this is a huge task, but it is one that is vitally important for our business and global climate change.

FOOD WASTE

Our restaurants are an integral part of our customer offering and the great quality food we offer is incredibly popular. We know that we, along with other hospitality and food outlets, still have food waste in our business and our plan is to reduce the volume of food waste by 50% by 2030. This will require us to reconsider how we prepare and offer meals in our restaurants, as well as our suppliers and logistics partners working more closely with us to understand our requirements on a daily basis. We've already begun working hard on this target having donated over half a million meals to charity partners in 2020 to support those in need.

SOURCING RESPONSIBLY

Everything we procure has a potential impact, on the people in the supply chain that make that product and also to the wider natural world. We know that we cannot isolate ourselves in tackling challenges in our supply chain. It is our shared impact on our value chain alongside our sector and our suppliers which will enable transformative change. Our ethical audit programme ensures the fair treatment of people in our supply chain, respecting the human rights of all those involved in providing our goods and services.

These are big challenges, but we have demonstrated that we can achieve significant objectives before. We have the business structures, the ethos, the skill and the commitment from our team members required to meet these objectives. These goals are not only good for people, our communities and our environment, but they enable our business to reduce costs and operate in a more agile way moving forward, which will further enhance our ability to deliver strong, consistent returns for investors.

Cliffe

Chris Vaughan General Counsel

We want to lead the way on sustainability



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OUR TARGETS

OPPORTUNITY

A team where everyone can reach their potential. No barriers to entry and no limitations to ambition.

We will be for everyone, championing inclusivity across the organisation and improving diversity

- We will actively seek to break down all barriers to entry and be an inclusive and representative prospective employer
- Our people will feel represented and respected, no matter how they identify

We will have industry-leading training and development schemes

- Through our apprenticeship programmes we will support people to find and develop their hospitality careers
- We aim to promote internal succession above external recruitment and will support our teams in this endeavour
- We will be bold about broadening career opportunities, supporting cross-functional and meaningful career development

Team member wellbeing will be considered in everything we do

- We will listen genuinely to our teams, ensuring their views help inform decision making
- We will support the physical and mental wellbeing of our teams

COMMUNITY

Making a meaningful contribution to the customers and communities we serve.

We will make a positive contribution to the communities we serve

local community activity

Working collaboratively with our teams and supply chain, we will support our charity partner to meet their mission

We will support the wellbeing of our guests and customers

- money for our guests
- healthier children's food

- Whitbread defines unnecessary single-use plastic as that which is used instantaneously as a one-off application and whose removal would not lead to unintended negative consequences, such as increased waste and C02 emissions or safety issues.
- Our target for Great Ormond Street Hospital has been extended by 6 months due to the impact of closures across our business through the COVID-19 pandemic and the impact this has had on our fundraising

RESPONSIBILITY

Always operating in a way that respects people and the planet.

• For every new site, we will donate our time to actively supporting

We will raise £20m for Great Ormond Street Children's Hospital by 2020**

• We will improve the nutritional value of our menu by continuing to reduce sugar, salt and calories and will continue to develop inclusive menus for customers with a range of dietary needs. We will do this in a responsible and transparent way whilst maintaining great taste, quality and value for

• We will strive to be a leader in our sector for delicious, appealing and

We will source responsibly and with integrity

- Human rights will be respected across our value chain
- We will source to internationally recognised sustainable standards

We will reduce our environmental impact

- We will eliminate unnecessary single-use plastic by 2025*
- We will cut food waste by 50% by 2030
- We will not send any waste to landfill
- We will minimise water use across our business and champion water stewardship within high risk areas
- We will be net zero by 2040

We will always do business the right way

- · We will always operate with integrity and respect
- We will always support our people and partners to do the right thing
- We will always be honest and transparent in our communication
- All of our team members will sign our code of conduct







Enabling people to live and work well

MAKING APOSITIVEDIFFERENCE

Environmental, Social and Governance Report 2020/21

Porz Avenue Dunstable Bedfordshire LU5 5XE

WHITBREAD PLC

Whitbread Court **Houghton Hall Business Park**



