



**Enabling People to
Live and Work Well**



WHITBREAD PLC
Sustainability Report 2016/17

3 Our Business	12 Customer Wellbeing
4 Message from our Chief Executive	13 Customer Wellbeing
6 Whitbread's Sustainability Approach	15 Responsible Sourcing
7 Team and Community	17 Environment
8 Our Teams	21 Future Strategy
9 Commitment to our Communities	23 Our Performance
	24 Partners
	25 Assurance Statement

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Consolidated set of GRI Sustainability Reporting Standards 2016, Core requirements. Our GRI Content Index can be downloaded from our Sustainability reporting [web page](#).

£3,106m
Group Revenue

£565.2m
Underlying Profit Before Tax

15.2%
Return on Capital

£2.7m
raised for GOSH
Premier Inn
Clinical Building

Achieved
71%
Dow Jones
Sustainability
Index (DJSI)

£1.86m
raised for the
Costa Foundation

BITC
Environmental
Leadership
Award 2016
winner



Premier Inn



COSTA



Whitbread PLC is the owner of the UK's leading hotel chain, Premier Inn, and the UK's favourite coffee shop, Costa, as well as restaurant brands Beefeater, Brewers Fayre, Bar & Block and Table Table.

Whitbread PLC employs c. 50,000 people in over 4,700 outlets, with its well-loved brands making everyday experiences special for over 28 million customers in the UK every month.

Whitbread has outlined growth milestones for 2020 to increase the number of Premier Inn UK rooms to around 85,000, and to achieve global sales of around £2.5bn for Costa.

Our core values are Genuine, Confident and Committed.

Whitbread PLC is listed on the London Stock Exchange and is a constituent of the FTSE 100.

If you're interested in finding out more about the work that our teams do for our Sustainability programme, please visit the [website](#).



I am delighted to share our 2016/17 Sustainability Report, which details our strategy, commitments and progress towards creating an ever more sustainable and successful business.

Whitbread celebrates its 275th Anniversary this year and whilst we have always developed and changed with the times, our core values of investing in people and being a force for good in our communities remain as true today as they did in 1742.

As the UK's largest hospitality company with 50,000 employees serving some 28 million customers every month, sustainability is core to what we do and is integral to our business strategy and long-term commercial success. Our sustainability approach focuses on delivering programmes linked to the most material issues for our business and we continue to be mindful of external factors and how shifting consumer and societal trends can impact on our business.

This has been a year of achievement and evolution for our sustainability programme and I would like to thank everyone for the effort and energy they dedicate to this important work. We have made good progress against our targets (which you can read about in full in this report) and I've outlined some highlights below.

We continue to be committed to helping all of our employees reach their full potential in a place where there are no barriers to entry and no limits to ambition. Over 750,000 training and development courses have been completed by our teams, while our ground-breaking WISE (Whitbread Investing in Skills & Employment) programme is overseeing thousands of apprenticeships, work placements and work experiences.

Thanks to the passion of our teams we are making a meaningful contribution to the communities within which we work. I'd especially like to mention the fantastic job our teams are doing raising funds for our chosen charities of Great Ormond Street Hospital Children's Charity and the Costa Foundation.

This year we surpassed our goal to raise £7.5 million for GOSH by 2017, which will culminate in the opening of the new Premier Inn Clinical Building. While our Costa Foundation has completed over 70 different school projects in coffee producing countries, providing over 60,000 school places.

We know our customers want more choice and are increasingly making more informed decisions about the way that they eat, drink and live and we are committed to supporting them. We are actively reformulating our food and drink, as well as offering healthier dishes and providing customers with clear and transparent information about the products they are buying.

As a large and growing business it is important to us that we treat the planet and people with respect. This year, we moved to source all the electricity for our UK owned properties from renewable sources; we opened one of the world's most sustainable roasteries in Basildon and launched a nationwide recycling scheme across our 2,000 Costa stores to recover and recycle takeaway cups, not just ours but our competitors too. We have been working hard, together with our suppliers, to ensure we have the most rigorous and robust sourcing standards in place. We were pleased to be the first national hotel and restaurant chain certified by the Marine Stewardship Council for serving sustainable fish and this year we have committed to being cage free on whole shell eggs by 2020.

I'm delighted to announce that we have updated our sustainability programme for 2017/18 to focus and lead on our most important people, social and environmental issues. We've named it 'Force for Good', and it will support the millions of people we reach every day, our customers, teams, suppliers and communities, to live and work well.

I am excited about how our 'Force for Good' programme will help us become an even greater place to work, build brands that people love and create a forward-looking, sustainable and successful business.



Alison Brittain
Chief Executive

This report relates to our UK business for the period 1 March 2016 to the end of February 2017 (referred to in this report as 2016/17). Any exceptions are stated in the report.

“Whilst we have always evolved and changed with the times, our core values of investing in people and being a force for good in our communities remain as true today as they did in 1742.” Alison Brittain

Our Sustainability programme is a fundamental part of our philosophy and the way we run our business. Centred around the three pillars of 'Team & Communities', 'Customer Wellbeing' and 'Environment' we are committed to driving Sustainability forward.



Whitbread was named
winner
of the ASDA
Environmental
Leadership Award

Our Sustainability Approach

We established our current sustainability programme in 2009 and have been delighted with how it has been embedded across our operations, making significant progress and achieving key targets. As we run our business, the impact we have on the communities and environment around us is of critical importance, and being recognised as a responsible organisation is crucial to our long-term strategy.

Under our current approach, we have focused on three key areas: Team and Community, Customer Wellbeing and the Environment. We have created leading community and employment programmes, raised millions for the charities we support and made significant improvements to our environmental and sourcing processes. In addition, we have fully embedded ISO14001 at Costa Express and ISO50001 at our new state of the art Costa Coffee Roastery.

We ensure our strategy is supported by appropriate governance structures. We are proud that responsibility for driving the Sustainability programme forward and delivering against our targets is led by our senior leaders and is an important remit of the PLC Board and our executive management teams.

The 2020 targets we set ourselves ensure we continue to take a broad view of sustainability that reflects our business priorities and our determination to continue to deliver outstanding performance. Our cumulative performance against these targets is reported on page 23 .

The scope for this year's report covers our achievements in the year and the outputs of our current programme's three key pillars of **Team and Community**, **Customer Wellbeing** and **Environment**.



We know our business can only be successful if the communities in which we operate thrive.

314

full apprenticeships achieved



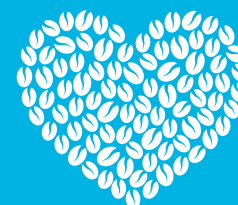
£2.7m

raised this year for Great Ormond Street Hospital Children's Charity



£1.86m

raised for the Costa Foundation



12,000

Volunteer hours by Costa team members this year





£1.86m

invested in WISE
Apprenticeship programme



Since WISE's inception, over
11,800
qualifications have been awarded

Our Strategic Approach

We are committed to strengthening the communities where our restaurants, hotels and coffee shops operate. As one of the UK's largest employers, operating across communities both in the UK and around the world, we are passionate about upskilling, recruiting and retaining great people so they are empowered to grow long-term careers within our business. We also recognise that we can make a huge difference in our local communities, so we are proud that our teams have made a significant impact by volunteering and fundraising for the charities which we collectively support. Thanks to the continued commitment of our teams, our charitable and community contributions are delivering well ahead of their targets.

Our Teams

We need capable, dedicated employees to sustain the growth and success of our business. For many years, we have worked closely with government and industry leaders to help influence continued investment in nurturing skills and developing careers within the hospitality sector. We believe this will support fledgling careers, break down barriers for young people, and provide opportunities for people with no employment, education or training. We fully support the Apprenticeship Levy and are excited for the prospects it will bring many people.

With our partners, we have committed to reinvest the Levy into our current programmes, increasing the scope and potential they offer.

WISE

In 2012, Whitbread created WISE (Whitbread Investing in Skills and Employment), a recruitment, training and educational scheme, to speed-up, scale-up and join-up Whitbread's engagement with the education system. Our aspiration is to create employment opportunities and support young people's entry into employment. This investment also ensures that our business develops a pipeline of young talent to enable planned growth. Learn more about Paige's successful journey to 'Premier Inn's apprentice of the year' [here](#).

Since its implementation, WISE has gone from strength to strength and now offers the following:

- Work experience and school visits for 11-18 year olds.
- Employment placements for NEETS (young people not in education, employment or training), which usually results in gaining an NVQ Level 1 in Hospitality.
- Apprenticeships and functional skills for team members who want to gain nationally recognised qualifications. All apprentices are employed on permanent contracts, with great progression opportunities, and are paid the National Living Wage.

- Support for Whitbread's suppliers to invest in developing the skills of their own workforces.

Outputs and Successes

We are delighted with the success of WISE, and this year (as with previous years) it has exceeded expectations:

- £1.86m invested in our WISE apprenticeship programme.
- 314 full apprenticeships achieved and 833 in learning.
- Since its inception, over 11,800 qualifications have been awarded.
- In 2016/17, we achieved a WISE first - following a successful adult work placement from HM Prison Sudbury, we recruited a full-time barista. As part of this programme, the individual also had the opportunity to complete a Level Two Apprenticeship.





Commitment to our Communities

The work that we do places us at the heart of many different communities. We are committed to supporting the areas in which we operate, leaving a positive and lasting legacy. Our team members work incredibly hard to support their communities, near and far, by volunteering as well as raising money for Premier Inn & Restaurants' chosen charity, Great Ormond Street Hospital Children's Charity, and Costa's dedicated charity, the Costa Foundation, as well as other charities they personally support.

In the past year, our teams have made us proud with their efforts and our customers and suppliers have been enormously generous, raising millions of pounds to help improve the lives of children, both in the UK and around the world.

Great Ormond Street Hospital Children's Charity

Premier Inn & Restaurants have supported Great Ormond Street Hospital (GOSH) children's charity as their national charity partner since 2012, when it was selected via a team member vote. We wanted to make a significant impact with our new charity partner and set stretching targets from the onset. We committed to raise £7.5m by 2017 to build a new, much-needed facility, the Premier Inn Clinical Building.

We are very proud of the success of our partnership and are delighted that to date, we have raised in excess of £8.9m. We know that this success has only been achieved because of the commitment and dedication of our team members who have worked tirelessly to raise money for GOSH.

Outputs and Successes

- £2.7m raised in the year for GOSH.
- The new Premier Inn Clinical Building will provide Great Ormond Street Hospital with much-needed facilities such as a number of in-patient wards, a surgery centre, a respiratory centre and a specialist centre for children with severe skin conditions and infectious diseases. Once the building is complete, it is anticipated that the Hospital will be able to treat up to 20% more children.

£2.7m

raised for GOSH in 2016/17

£305k

donated by suppliers

£8.9m

raised for GOSH since start of fundraising project





72
different school
projects across
9
countries

Costa Foundation

We are tremendously proud of the work that the Costa Foundation has achieved over the past 10 years, building and funding school projects in coffee-growing communities around the world. The Foundation's strategic mission is to improve the life chances of boys and girls by providing them with the opportunity for a quality education. Foundation schools deliver both academic and extracurricular programmes that enhance health, gender equality and environmental awareness. [Learn more here.](#)

We have a target to raise £20m for the Costa Foundation by 2021 and complete 100 school projects by 2020.

Outputs and Successes

- We have raised over £12 million for the Costa Foundation since its inception 10 years ago.
- The Foundation now supports a total of 72 different school projects across nine countries; since it began, over 60,000 children have been able to access quality education.
- We also ran our first collaborative partnership with Project Waterfall as part of UK Coffee Week. Costa raised over £82,000 which was used to support water projects delivered by the Costa Foundation on behalf of Project Waterfall in Uganda.



12,000
community hours volunteered
by Costa team members

600
Costa stores collected
litter for Clean
for the Queen
over 1 weekend





26

students through the Derwen programme

Community Investment

The Costa Community Programme continues to empower team members to make a positive difference to their local communities. This year we established a partnership with Police Community Clubs of Great Britain (PCCGB) to run our first Costa Reading Week. The educational book series Barney & Echo produced by PCCGB was donated to local schools and book clubs were hosted in-store to encourage parents and carers to spend one-on-one time reading with their children.

For the second year, we were proud to sponsor and support Keep Britain Tidy's national anti-litter campaigns, which in 2016 was the Clean for the Queen campaign.

Outputs and Successes

- As part of reading week, 500 of our Costa store teams donated educational books to local schools.
- 600 of our Costa stores took part in the Clean for the Queen Anti-Litter campaign.
- 12,000 community hours were volunteered by Costa team members this year.
- The Costa Community Programme received gold in the Corporate Engagement Awards.
- Costa attained Two Star Sustainable Restaurant Association Rating for the second year running, which is an "excellent" sustainability

achievement marked across Community, Sourcing and Environmental sustainability criteria.

Derwen College and Premier Inn

We are thrilled with the success of our project between Derwen College, Premier Inn and our supplier Novus. Derwen College is a specialist education centre for young people with learning difficulties and disabilities. It equips young people aged 16-25 with the skills they need to be independent and prepares them for the workplace. Students are given work experience opportunities in local Premier Inn sites, which hopefully then become permanent positions in our hotels across the country. To make the training as effective as possible, space in the college was converted to look like a Premier Inn hotel.

Building on the success of this current format, we are now looking at opportunities to partner with similar colleges and to strategically develop the programme further.

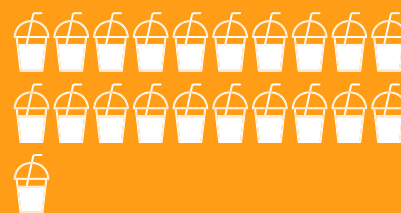
[Learn more here](#)

Outputs and Successes

- Since the partnership began in 2013, 26 students have been through the programme.
- Five students have gone on to take up permanent roles with Premier Inn.



As a values-led business, we are committed to ensuring our supply chain reflects the principles we uphold on a day to day basis.



21%

Reduction in sugar across Costa Ice range



UK hotel and restaurant chain to be Marine Stewardship Council (MSC) certified



Mapped risks of modern slavery in our global supply chain



Good Egg Award - commitment to Cage-free whole shell eggs by 2020 and ingredient egg by 2025



Healthier

food choices, sugar, salt and saturated fat reduction

44

products have had salt reduced



Our Strategic Approach

Making sure our customers have the utmost confidence in the integrity of our products is at the heart of our Customer Wellbeing strategy. We acknowledge that environmental risks and global inequality are making operating a business more complex, however we remain fully committed to ensuring our products and services are sourced responsibly and ethically with the wellbeing of our guests and customers at the heart of every product. Our strategy takes a two-pronged approach: Customer Wellbeing and Responsible Sourcing. The former ensures our hotels, restaurants and coffee shops offer products that offer a healthy nutritional balance, and the latter maintains a traceable, sustainable and ethical supply chain.

Customer Wellbeing

At Whitbread, we recognise the ongoing concern childhood obesity presents to our society. We are committed to working in partnership with Government and industry partners to ensure progress is made on this important issue. We also understand that

customers are better educated when making choices around what they are eating and drinking. They are increasingly looking for healthier and lighter options and our menu ranges should reflect changing consumer tastes. We are committed to introducing and updating foods that reflect new and emerging consumer needs and preferences and to clear and transparent choices for customers. We are actively reformulating dishes to make them healthier where possible, whilst working with our supply chain to do so, as well as providing greater choices in our new menus, together with improved nutritional information available on our websites.

As operators of 650 restaurants and over 2,200 coffee shops in the UK, we offer our customers choice and transparency through our work on:

- Removing and reducing: reformulation of the food and drink that we serve.
- Introducing credible healthier choices.
- Providing clear, meaningful and easily accessible information for our guests.

42%
sugar reduction
in Chai Latte



Sugar reduction has been a key priority for Costa and significant reductions have been made in our drinks range. We have publicly committed to reducing added sugar across our beverage range by 25% by 2020. We also launched the trial (in selected stores) of our It's All Good range, a selection of lighter food alternatives specifically for our customers who are looking for a change from the traditional sandwich lunch. We are also working towards the government set salt reduction target.

Outputs and Successes

- We have achieved 21% less sugar in our Costa Ice range.
- We now use 42% less sugar in our Chai Latte which had the highest added sugar on our menu. This has been achieved without any changes in taste and quality and have been well received by our customers. Our Costa food range also includes products which have fewer than 250 kcals per portion.
- At our restaurants, our children's food and drink offer has been positively received by the Soil Association in their Out to Lunch survey where Beefeater and Brewers Fayre were recognised for their improvements to the quality and nutrition of the food offered. We are continuing to work with them so we can build on this achievement.

1
of your
5 a day



“

STOP THE TRAFFIK
has also provided bespoke training to the procurement department across all brands; training was delivered to all supplier-facing staff, including directors, heads of buying, senior buyers, buyers and buying administrators. Through the adoption of this systemic approach, Whitbread demonstrates leadership in its sector.

”

STOP THE TRAFFIK
PEOPLE SHOULDN'T BE BOUGHT & SOLD



Responsible Sourcing

Whitbread is committed to sourcing products responsibly and we work with suppliers who can both meet the quality and quantity of product we require, and source their products according to the standards we set. Our Responsible Sourcing *'Policy'* defines Whitbread's minimum standards and the basic principles of co-operation that we require from all of our suppliers and business partners.

Modern Slavery Act

We are a values-led organisation and we treat our employees equally and respect their human rights. It is important these values are reflected in our supply chain and we have gone to great lengths to ensure that this is the case. We believe the Modern Slavery Act is one of the most important pieces of responsible business legislation to be implemented in recent times, and have established an important partnership with Stop The Traffik and third party ethical auditing companies. STOP THE TRAFFIK has worked closely with Whitbread to proactively identify and address

the risks of modern slavery across its business. This has been achieved by undertaking detailed risk mapping of its food and beverage, supplies and services, and property supply chains and supporting the organisation to develop its response to identified risks.

This helps us ensure we know where our supply chain is most at risk of modern slavery and forced labour, have the right tools in place and the right processes in place for dealing with issues if they are identified.

Through our partnership, we created a heat map of forced labour risk, which we have used to prioritise our ethical audit schedule, making sure that our resource and efforts are focused, targeted and deliver the maximum positive impact possible. We are now working through the results to develop a strategic response for each supplier identified as high risk.

To support our work in this area and provide more detail of our work, we have also published our first modern slavery report, which can be found [here](#).

Our coffee is

100%

Rainforest Alliance Certified™



Committed to purchase

cage free

eggs and ingredient egg by 2025



Fish

Chain of Custody Marine Stewardship Council (MSC) certified

Commodities

We currently source many different products from our suppliers around the world, across a number of commodities, each facing their own ethical and sustainability risks. We have worked with sustainable sourcing experts and appropriate NGOs to identify and create definitive policies for our high risk commodities (cotton, coffee, timber, palm oil, meat and fish). Our Product Specific policies ensure that we minimise our impact on the planet and the welfare of the animals in our supply chain is protected.

We remain committed to achieving our Group 2020 target of having our critical commodities 100% accredited against robust standards. Last year we introduced a new system for measuring and monitoring our critical commodities supplier base which has helped us make good progress against our targets. However, we realise we have more to do, and are also working to improve our audit and assurance processes.

Outputs and Successes

- To reduce risk within our supply chain, each supplier identified as high risk is now being taken through a process of individual supply chain analysis including an independent third party audit.
- 100% of our coffee is Rainforest Alliance Certified™.
- All of the fish we buy directly is sustainably sourced and we were awarded the Marine Stewardship Council (MSC) Chain of Custody Standard. This makes us the largest hotel and restaurant chain in the UK to serve MSC certified fish.
- In September 2016, Whitbread announced a commitment to move to only purchase cage-free whole shell eggs by 2020 and ingredient eggs by 2025. As a result, we have been awarded the Compassion in World Farming Good Egg Award.
- Working in Partnership with Cotton Connect, we have mapped our cotton supply chain for Premier Inn down to the farm level.
- We have developed our Animal Welfare Policy further with specific KPIs for measuring our suppliers' performance against the standards we set.

We know our Group strategy for growth will only be realised if we remain committed to reducing negative impacts on the environment.

18.7%¹
reduction in carbon footprint (since target was set)



2,000
Costa stores in the UK offering cup recycling



We have committed to purchase*
100%
renewable energy across the Group



96.8%
of waste diverted from landfill



¹ Included in the boundary of our carbon footprint: Scope 1 = Gas, LPG, Fuel Oil, F-Gas, Company cars and Scope 2 = Electricity. Full emissions data is available on Page 101 of Annual Report 2016/17.

* In owned and managed hotels, restaurants and coffee shops in the UK.

We produce
700 million
cups of coffee a year



Our Strategic Approach

We are constantly challenging ourselves to become more environmentally sustainable, and aim to embed our thinking throughout the business. As our growth strategy progresses and we open more coffee shops, restaurants and hotels, our challenge is to ensure that we continue to manage our energy and environmental impact effectively. We do this through energy efficiency, reducing our carbon emissions and diverting waste from landfill. By investing in new technologies and ways of working, we are able to test and demonstrate higher sustainability standards, whilst also setting challenging targets to drive further momentum. We have recently announced that 100% of our energy in owned and operated sites is now from renewable sources. We are thrilled that we have achieved our 2020 carbon reduction target and will refocus our efforts over the coming year.

New Roastery

Our new state-of-the-art Roastery in Basildon, opened its doors in March 2017. This new site has quadrupled our roasting capacity and is producing around 11,000 tonnes of coffee a year which is around 700 million cups of coffee. Sustainability was an integral part of the design and build process and we are proud that it is the first industrial process site to be built to BREEAM Outstanding. It is one of the most sustainable Roasteries in the world with many on-site efficiency mechanisms which enable us to reduce our carbon footprint.

Outputs and Successes

- Full energy efficient LED lighting scheme.
- Electric car charge points.
- Zero waste to landfill.
- On site renewable electricity generating solar panels.
- Rainwater harvesting.

30%
reduction in
energy to roast a
tonne of coffee





Launch of nationwide cup recycling scheme across

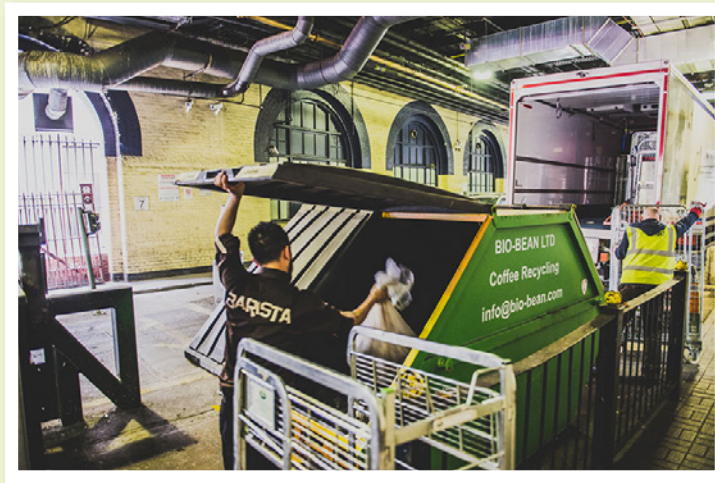
2,000

Costa stores (February 2017)

Coffee grounds recycled across

800

Costa Stores



25p

off all barista made drinks when using a reusable cup in our stores

Take Away Cups

As the first signatory of the Paper Cup Manifesto, Costa is committed to tackling cup recyclability. In February 2017, we launched our nationwide cup recycling scheme across 2,000 Costa stores. We are pleased that we have been able to take the lead in this area as it is the first of its kind amongst coffee shop retailers. In addition, Costa now offers 25p off all barista made drinks when using a reusable cup at one of our stores.

From April 2017, we launched a new, reusable cup. We also supported the Hubbub Square Mile Challenge, where a variety of businesses have introduced coffee cup recycling facilities in London. Whilst there is more work to be done in partnership with the wider industry and the Paper Cup Manifesto, which we will continue to lead. We will continue to invest heavily in new cup innovation and hope to find a long-term, sustainable solution to this complex issue.

Outputs and Successes

- Since the launch of our nationwide recycling scheme we have recycled 10% of take away cups sold in the first three months of the scheme.
- We are undertaking research with Sheffield University to further investigate cup recyclability and mapping where cups are disposed of by consumers.

bio-bean

This year, Costa announced its partnership with bio-bean, a clean technology company that recycles waste coffee grounds into biofuels. Our new partnership will enable thousands of tonnes of waste coffee grounds to be diverted to bio-bean's facilities from over 800 stores nationwide. [Learn more here.](#) We look forward to updating on our progress in next year's report.

Outputs and Successes

- We have recycled over 3,000 tonnes of waste coffee this year from over 800 of our Costa Coffee shops, which as of June 2016, is now being recycled by bio-bean.

£3.1m

invested in Premier Inn energy efficiency programmes throughout the year



15,000

LED lights installed

Energy efficient

Costa Express coffee machines



Investing in Efficiency

During 2016/17, we have continued to invest in renewable and on-site generation in our Premier Inns. Energy consumption represents significant costs across the entire business, saving energy helps increase profits as well as protect our natural resources and the environment. We are proud to say that we have electricity generating solar panels in over 90 of our hotels and combined heat and power units in over 20. This year, we installed 15,000 new energy efficient LED lights across 100 Premier Inn sites and voltage optimisation across 61. We also executed a 44-site pilot programme to control and optimise how we use our major power consuming assets. These have shown significant energy savings and will be at the heart of our energy reduction strategy. We also incorporate key strategic environmental measures in new sites as part of our strategy for sustainable development, for example heat recovery in our in room heating systems.

Costa Express

This year, Costa Express was awarded the ISO14001 International Standard, which demonstrates a best practice approach to environment management. To meet the standard requirements, sustainable measures have been applied across every aspect of Costa Express.

Outputs and Successes

- Our Costa Express coffee machines now have insulated boilers to make them more efficient and reduce energy usage resulting in energy savings of around 400 watts per day.
- The Costa Express fleet which supplies the machines uses telematics to enable the planning team to route the field teams effectively. They are also working to reduce maintenance callouts to lessen the environmental impact of the vehicles and encourage efficient driving by measuring fuel economy.

Outputs and Successes

- £3.1m has been invested in projects across our hotels and restaurants which has delivered £0.4m of revenue benefits in this year, and £0.85m revenue benefit per annum from 2017/18, as well as reducing our CO_{2e} emissions by 3,300 tonnes this year.
- Our employee engagement programme has aided this reduction in energy consumption.

Our new strategy ‘Force for Good’ will help us be an ever greater place to work.



Force for Good - a New Direction

Strong values, a clear code of conduct and robust ethical principles underpin how we do business and are reflected in our approach to Sustainability. Our existing programme has been very successful, but we have recently undertaken a review of its activities. We are creating forward looking, long term sustainable brands. To do this, we need to be ahead of the curve and prepared for future business, social, consumer and environmental trends. To achieve this, we have reviewed and built on the success of our current programme and developed a new Sustainability Strategy - ‘Force for Good’.

we examined wider external trends that may impact our business and sustainability aspirations. Our analysis consisted of in-depth interviews, incorporated outputs from recent desk top research, and the results of an externally commissioned social and environmental meta-trends review. Eight material issues were rated and interviewees asked to state the areas where Whitbread could set a higher level of ambition. Our most important material issues (outlined in our GRI table) form the basis of our new strategy. For definitions of our material issues please refer to our [GRI Table](#).

Force for Good Strategy

We have grouped our new strategy into three key pillars - Opportunity, Community and Responsibility. Within each area, we’ve set long term strategic commitments that we believe will help us reach our goal of enabling people to live and work well. We will review these commitments every year to make sure we stay on track and focused on what matters.

We are currently working through detailed key performance indicators for each commitment and will be reporting progress against these in next year’s Sustainability Report.

Materiality

To ensure our new Force for Good strategy meets stakeholder expectations we conducted an in-depth materiality assessment to understand the views of our senior business leaders, external partners, NGO’s and customers.

The materiality assessment looked at 32 sustainability categories aligned to the Sustainable Development Goals. In addition,

OPPORTUNITY

A place where everyone can reach their potential – no barriers to entry, no limits to ambition

No matter who you are or where you're from, you'll always be welcome with us. Our coffee shops, hotels and restaurants are accessible and inclusive so that everyone can enjoy our hospitality or join us in a great place to work. We believe in giving people the chance to shine. With the best training and development programmes in the business, we're the place you can build your career.

Our Commitments:

- We will have industry leading training and development schemes
- We will be the most inclusive hospitality business
- We will champion the employment of under-represented groups

COMMUNITY

Making a meaningful contribution to the customers and communities we serve

We're a big team here – a team of 50,000. And when each one of us plays our part, we can make huge difference for our customers and communities near and far. Whether it's putting our energy and passion into fundraising for charities, finding new ways for our sites to serve the community or helping our customers make informed choices for a healthier life, our impact on people and communities will be life-changing.

Our Commitments:

- We will make a positive contribution to the communities we serve
- We will raise £30m for our chosen charity partners by 2021
- We will support the wellbeing of our customers

RESPONSIBILITY

Treating people and our planet with respect

We rely on the environment and the hard work of thousands of people in our supply chain to bring our products and services to our customers. So we take our responsibility to both people and planet seriously. We set standards to ensure our suppliers operate responsibly and with integrity. From coffee cups to carbon, we'll find opportunities to make a positive impact for the environment across our whole supply chain. And we'll make sure that our suppliers and the people who work with us are always treated fairly and with respect.

Our Commitments:

- We will source responsibly and with integrity
- We will reduce our environmental impact
- We will always do business the right way

Always Doing Business the Right Way

Our new strategy underpins the way we do business and defines our vision of Sustainability. Our people are key to delivering our commitments and we need to enable everyone to play their part. We remain committed to communicating our performance transparently and will continue to report on our sustainability performance on an annual basis. We adhere to the principles of the Global Reporting Initiative (GRI) Standards. We will review and update our materiality assessment every year to ensure it reflects changes in our business as well as socio-economic and environmental trends. We will conduct our next materiality analysis in 2018. For Whitbread, robust transparency also includes participating in the Dow Jones Sustainability Index (DJSI) which for this year we achieved 71%.

Our Strategy aligns with the Sustainable Development Goals (SDGs) and we will work over the coming year to embed them further into our Sustainability programme.

Supporting our Force for Good Strategy is our enhanced Governance framework. Strong sustainability governance is not only important for embedding our new strategy but for managing risks effectively, enabling business continuity and sustainable growth. Led from the top of the organisation, our new Sustainability Steering Group, is chaired by our General Counsel and our CEO attends every meeting. The Steering group sets and monitors our strategic objectives and policies, as well as identifying any improvements that need to be made.

We aim to be a leader in developing sustainable business practices within our sector and have already made great progress this year on our 2020 targets.

Pillars	2020 Target	Progress against 2020 targets	Target Status
	By 2020 we will have:		
Teams and Communities	5,000 apprenticeships ²	2,309	●
	7,500 work experience placements ³	3,863	●
	6,500 employment placements ⁴	3,399	●
	£10 million raised for Great Ormond Street Hospital Children's Charity	£8.9m	●
	£15 million raised for 100 Costa Foundation School projects ⁵	Circa £12m	●
Customer Wellbeing	Whitbread's critical product commodities 100% accredited against robust standards	215 critical suppliers on-boarded to our Responsible Sourcing Programme.	●
	Reduced added sugar in all Costa drinks by 25% ⁶	-13%	●
	Reduced added sugar in Costa Ice Range by 30% ⁷	-21%	●
	Reduced salt in Costa sandwich range by 5%	-2%	●
Environment	Reduced carbon by 15% relative to sales turnover (against a 2014/15 baseline) ⁸	18.73%	●
	Reduced water use by 20% relative to sales turnover (against a 2014/15 baseline) ⁹	6.1%	●
	Increased direct operations recycling rate to 80% across hotels, restaurants and coffee shops ¹⁰	66.3	●

● on track/delivered ● behind track ● target missed

² Apprentice figures stated against 2014/15 baseline is the same since WISE began as we started tracking this in the same year.

³ Work experience placement figures stated against 2014/15 baseline. 4,039 work experience placements have been delivered since WISE began.

⁴ Employment placement figures stated against 2014/15 baseline. 4,450 employment placements have been delivered since WISE began.

⁵ £12m was raised for 72 schools since start of Costa Foundation.

⁶ All barista-made drinks on sale on menu in UK excluding trials. Based on average added sugar per portion (g).

⁷ All barista-made ice (cold) drinks on sale on menu in UK excluding trials. Based on average added sugar per portion (g)

⁸ This is a Group target and applies to both UK and international. Our target of a 15% reduction in carbon was surpassed when we reached 18.7% this year. This is a reflection of our ongoing commitment to reduce our emissions and is also due to the decarbonisation of the UK power grid. Plans to work with landlords to build more energy-efficient sites will produce further reductions in carbon.

⁹ We are working towards achieving our target of 20% improvement in water efficiency, having achieved a reduction of 6.1% per £m turnover this year. We continue to invest in grey water recycling systems, low flow taps and shower heads, low flush toilets and low water-use appliances to ensure that we minimise water use.

¹⁰ We are on track to reach our target of 80% recycling rates from direct operations having reached 66.3%. This year has seen the introduction of recycling coffee grounds and paper cups to ensure we minimise waste whilst promoting recycling. We are also currently diverting 96.8% of waste from landfill, leaning towards zero waste to landfill. Plans to further increase this include looking at additional food waste options, developing a circular economy strategy (with particular focus on food packaging) and targeting plastics which we estimate constitute 30% of our waste stream.



Whitbread has commissioned Corporate Citizenship to provide assurance against the GRI Principles for Defining Report Quality. The data relates to Premier Inn and Restaurants and Costa in the United Kingdom and international operations where Whitbread has a majority stake. The assurance covers the Whitbread financial year 2016/17. The assurance complies with the ISAE 3000 standard. This is the first occasion we have commissioned assurance of our social as well as our environmental data. The full statement can be found [here](#).

Registered office:

Whitbread PLC

Whitbread Court

Houghton Hall Business Park

Porz Avenue

Dunstable

Bedfordshire

LU5 5XE

01582 424200

whitbread.co.uk