



THE GREGGS PLEDGE



WHAT'S INSIDE:

We're just as committed to being responsible as we are to our food, colleagues and customers.

Ten commitments, one pledge: dedicated to doing good.

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DEDICATED TO DOING GOOD

A word from our Chief Executive

It's our duty as a modern business to stand for more than just profit. The Greggs Pledge is all about how we can do more to help people, protect the planet, and work together with our partners to change the world for the better.

Greggs has a proud reputation of giving back. **Since John Gregg founded the business in 1939**, we have always tried to do the right thing by our people, our suppliers and our communities. These family values are at the heart of our culture.

Today, Greggs is a company with a national presence, supporting hundreds of suppliers, employing thousands of people, and serving millions of consumers. The way we operate affects a great many people so being a good business is more important than ever.



Roger Whiteside, Chief Executive

The global pandemic has reminded us all of the importance of community, the power of kindness, and the value of collaboration to tackle our biggest problems. Now, we must work together to rebuild our economies and address the complex social and environmental problems that we were already grappling with.

This report – our first full sustainability report – introduces the Greggs Pledge: **ten things that we're doing to help make the world a better place by 2025** – and beyond.

We arrived at these pledges by talking with our own people and our external stakeholders, and by considering the issues that are most relevant to our business. **Our pledges align with the ambitions of United Nations Sustainable Development Goals (SDGs).**

DEDICATED TO DOING GOOD

We've chosen to concentrate our efforts on the challenges where we think we can make the most difference:



We want to help build stronger, healthier communities.



We want to make our planet safer.



We want to be a better business.

Even before the pandemic ravaged our economy, far too many people were struggling with poverty and hunger in this country. **The Greggs Breakfast Clubs feed almost 40,000 children every school day** and we will continue to grow the scheme. We are also doing what we can to **ensure that perfectly good food doesn't get wasted**, but instead gets to people who need it. We recognise that poor nutrition is another issue where we have a role to play and are **doing more to guide our customers towards healthier choices.**

The impacts of unchecked climate change would be catastrophic. **We want to make Greggs a carbon neutral, zero waste business.** We actively support the BRC's Climate Action Roadmap which aims to make the UK's retail industry net zero, well ahead of the government's 2050 target. In addition, **we are reducing our use of packaging**, looking at how we can apply 'circular economy' thinking to our business and working with our suppliers to make efficient use of resources.

The corporate world can be a powerful force for good when it is guided by a moral compass. As well as **continuing to support our communities** by paying our taxes and providing thousands of fairly-paid jobs, we are **redoubling our efforts to make Greggs a great place to work.** We are also setting high standards for what we purchase, encouraging our suppliers to raise their game too.



Sustainable Development Goals (SDGs):
There are 17 goals in total, acting as a universal call to action to end poverty, protect the planet, and improve the lives of people around the world. Each of our pledges aligns with at least one of these goals.

Related Sustainable Development Goals



We will give back to the communities that support us and take less from the environment that we all rely on. I want **Greggs to play a meaningful role** not just in getting Britain back on its feet but in getting us to a better place.

R Whitehead



THE GREGGS PLEDGE

Ten things that we're doing to help make the world a better place by 2025 – and beyond.

Our purpose is to make great tasting, freshly prepared food that is available to everyone – we want to be the nation's favourite for food-on-the-go. And we want to achieve this while being a good corporate citizen.

At Greggs, we've always been committed to doing the right thing, but we wanted to get more specific about how we channel our efforts and resources into doing good. So we have spent time reflecting on how we can have the most positive impact on the world around us...





Stronger, healthier communities

The British people made Greggs the success story it is today, and we have always looked for ways to give something back to them. Way back in the sixties we started with our free pie 'n' peas suppers for older residents in Gateshead and, today, give 1% of our pre-tax profits to the Greggs Foundation. As a food business, we know that hunger and obesity are the issues where we are best placed to make a difference.

We pledge to play our part in improving the nation's diet by helping to tackle obesity, providing free breakfasts to schoolchildren, and giving surplus food to those most in need.



Safer planet

The planet is facing a climate emergency and we acknowledge our responsibility to do everything we can to reduce our environmental impact. It is no longer OK to be responsible for emitting carbon or creating waste.

We pledge to become a carbon neutral, zero waste business.



Better business

By being a successful business, Greggs makes a meaningful contribution to the economy each year through providing jobs and paying tax. We have always strived to be a good corporate citizen and aim to treat everyone – our employees, suppliers, partners and customers – with fairness, consideration and respect.

We pledge to increase the diversity of our workforce, and to use our purchasing power responsibly, with the aim of making things better in our supply chain.

TEN THINGS THAT WE'RE DOING TO HELP MAKE THE WORLD A BETTER PLACE BY 2025 – AND BEYOND

1. Growing Greggs Breakfast Clubs: By 2025, we will support 1,000 school Breakfast Clubs providing some 70,000 meals each school day.

2. Putting an end to food waste: By 2025, we will create 25% less food waste than in 2018 and will continue to work towards 100% of surplus food going to those most in need.

3. Supporting our communities: By 2025, we will have 50 Greggs Outlet shops providing affordable food in areas of social deprivation, with a share of profits given to local community organisations.

4. Helping our customers to make healthier choices: By 2025, 30% of the items on our shelves will be healthier choices and we will attract customers through education and promotions.

5. Going carbon neutral: By 2025, we will be on our way to achieving carbon neutrality by using 100% renewable energy across all of our operations.

6. Building the shops of the future: By 2025, 25% of our shops will feature elements from our Eco-Shop store of the future design.

7. Using less packaging: By 2025, we will use 25% less packaging, by weight, than in 2019 and any remaining packaging will be made from material that is widely recycled.

8. Embracing diversity: By 2025, our workforce will reflect the communities we serve.

9. Sourcing sustainably: By 2025, we will have a robust Responsible Sourcing Strategy in place and will report annually on progress towards our targets.

10. Protecting animal welfare: By 2025, we will secure and maintain Tier 1 in the BBFAW Animal Welfare standard.

1. GROWING GREGGS BREAKFAST CLUBS



OUR COMMITMENT

By 2025, we will support 1,000 school Breakfast Clubs providing some 70,000 meals each school day

For various reasons, many kids sadly don't get the right start to their day. Hungry children find it harder to concentrate and learn, ultimately impacting their academic attainment.

Giving children a good start to their day gives them a good start in life so, in 1999, we launched our Breakfast Club programme to provide a free breakfast to children who need it.

As well as providing a meal, the Clubs encourage children to enjoy themselves and engage with school staff and the education system.

In the two decades since, the programme has gone from strength to strength, thanks to magnificent fundraising efforts by Greggs colleagues, and the financial support of our partners. Today there are more than **600 Breakfast Clubs across the UK**, serving wholesome, **free breakfasts to almost 40,000 children** every school day – **that's 7.6 million meals a year**.

Every school is provided with fresh bread from their nearest Greggs shop: **in 2020, we donated over 160,000 loaves of bread**. We hear first-hand from some children that they miss meals at home and only eat at school. For them in particular, breakfast is essential and it makes us feel proud that we are able to give them a fair chance. It makes us feel extremely proud that we are able to make a difference.

As we all confront the desperate economic challenges created by the coronavirus pandemic, we recognise that we play a meaningful role in looking after the country's most vulnerable children and that our Breakfast Clubs are more important now than ever. **By 2025**, we intend to double our impact and **provide 70,000 meals every school day**.





Addressing poverty and inequality

Food insecurity is a real issue across Britain and schools that participate in a Greggs Breakfast Club can apply for a grant to ensure that the children who attend our Breakfast Clubs have the same access to food and activities during school holiday times.

These schools are also able to apply to the Greggs Foundation hardship programme on behalf of individual children and their families. This helps families to make ends meet by providing supermarket vouchers, clothes, beds and bedding, and even white goods.



Working in partnership

The average Breakfast Club costs just £2,000 to set up and run for a year. **We directly fund half of these clubs** through the Greggs Foundation, and have welcomed onboard more than 100 local and national partners who provide grants to cover the costs of the other clubs.

Our partners are critical to the success of the programme. As well as businesses in our supply chain, they include shareholders, trade bodies, social housing groups and independent businesses, each of whom bring their own particular skills to the scheme. Many of our partners play an active role in supporting their local club and we share and learn from each other.

Tackling Health

Breakfast Clubs provide a unique space to talk to young people about maintaining a healthy lifestyle.



The Greggs Foundation teamed up with Premiership Rugby to create Tackling Health, an education programme designed to help teachers and parents prevent the 'obesity epidemic' among children in England's primary schools.



Tackling Health started out as a local programme, delivered in just 15 of our Breakfast Club schools in the North East with Newcastle Falcons. Today, it is a nationwide partnership with Premiership Rugby, supported by Public Health England, which is encouraging thousands of children from our Breakfast Clubs to make healthier food choices, and to get active through playing tag rugby.

During the 2018-19 season, Tackling Health was delivered to nearly 15,000 children across England. We conducted a survey to better understand the impact of the programme and discovered that **94% of children surveyed now want to take part in more sport or activity. In addition, half said they now eat five or more pieces of fruit and vegetables a day**, compared to 36% at the beginning. We are delivering the programme again during the 20/21 academic year.

2. PUTTING AN END TO FOOD WASTE



OUR COMMITMENT

By 2025, we will create 25% less food waste than in 2018 and will continue to work towards 100% of surplus food going to those most in need

At Greggs, we are obsessed with freshness: our customers keep coming back to us because they love our just-baked savouries and the sandwiches we make from bread baked that day. This 'daily-fresh' approach is a key strength of our business model, but it is a challenge too: we want to make sure we always bake enough so no-one's disappointed, but anything left at the end of the day becomes waste.

We hate waste and have worked hard to reduce it at every stage of the process, beginning with our manufacturing sites. Here, we've changed how we do things to allow the teams at each factory to become the experts at making a particular thing: doughnuts, or bread for our sandwiches, as examples. This means they can really **focus on specific projects that can cut waste** for that particular product.

Next, we have introduced a highly efficient forecasting and ordering system, which is designed to **reduce waste in our shops**. It works by using two years of sales history by shop and product and enables us to forecast, shop by shop, what our customers are likely to want in the weeks ahead. It's not quite a crystal ball but it has already delivered real benefits both in reducing food waste and cost savings.

The final step in our waste reduction journey is **donating unwanted products**. Any unsold food left at the end of the day is cleared out of our shops to make way for the fresh products being delivered in the morning. For many years, we've offered this

food to two charities: **FareShare**, which redistributes it to frontline charities and community groups; and the **Russell Trust**, which provides emergency food parcels to people in crisis.



Despite these two brilliant partnerships, **only 12% of our unsold food was being redistributed at the end of 2018**. We knew we could do more so, in the last couple of years, we have been exploring how we can support smaller, local organisations in the same way. We now have a sign placed prominently in our shops inviting customers to come forward if they know of a good cause that could benefit from unsold food. We also created a page on the Greggs Foundation website where organisations can apply to receive food donations from us.

By the end of 2019, we had 1,700 organisations regularly collecting unsold food from our shops and bakeries which meant food donations were up nearly a third on the previous year.



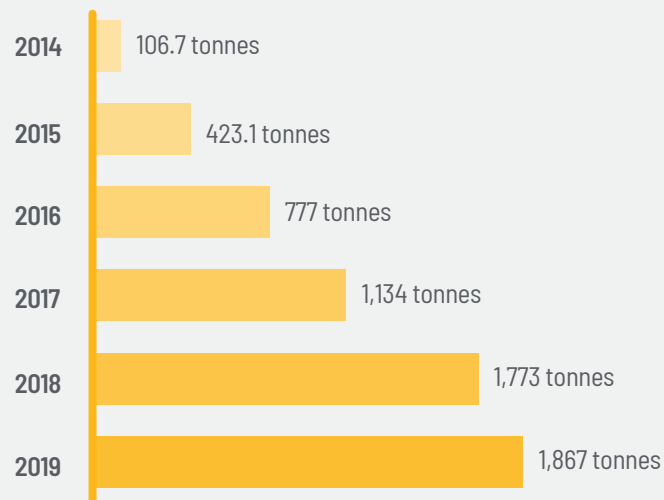


In 2019, we estimate that we gave away enough food to provide half a million meals to people in need. That is ten times more than we donated in 2014 so we are delighted with our progress.

By 2025, we aim to double it to one million meals. However, our ultimate vision is for every unsold perishable food item to be spared from the bin.



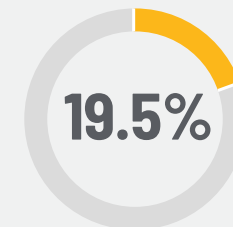
5-year trend graph of tonnes food donated (2014-2019)*



*2020 not represented due to the impact of the pandemic, shop closures and lockdown.

1,700

Smaller community organisations made regular visits to our shops to collect unsold food



In total, we redistributed 19.5% of all unsold food.

500,000

Through these relationships, we estimate that Greggs provided 500,000 free meals to people in need

3. SUPPORTING OUR COMMUNITIES



OUR COMMITMENT

By 2025, we will have 50 Greggs Outlet shops providing affordable food in areas of social deprivation, with a share of profits given to local community organisations

Even before the pandemic struck, millions of people in the UK were trying to cope without enough to eat, or were living with the anxiety of not knowing where their next meal was coming from. The economic impacts of the current health emergency have made this situation even worse.

We are already playing a part in **addressing food poverty through our Breakfast Clubs and by donating unsold food to national charities** and smaller, local organisations (see commitments 1 and 2). Next, we want to increase the number of Greggs Outlet shops to enable people in the UK's more deprived areas to get our products at a big reduction.

We currently have **13 Greggs Outlet shops around the UK** where day-old food products are sold at a big reduction, helping people to spend less on food. These are all located in areas where we know social deprivation is high. **Over the next four years, we intend to increase the number of Outlet shops to 50.**

We originally introduced Outlet shops to help us avoid sending edible food to landfill. We now see these shops can do even more: we donate a share of all our profits from these shops to the Greggs Foundation which passes it on to local community groups that are working to address food poverty and associated problems.





Caroline Hirst is the Project Manager with responsibility for overseeing the roll out of our new Greggs Outlet shops. **She says:**

£1.50
Outlet price

£4
Regular price



“Greggs’ ‘daily fresh’ strategy means that unsold food is potentially wasted. No-one wants to throw good food in the bin so, if a local charity can’t take it, it’s fantastic to be able to offer it to people at a big reduction through our Outlet shops.

We open them in the most deprived areas of the country where people are having to work really

hard to make ends meet, so it gives me a real buzz to know that they can now pick up a treat from Greggs for such a bargain. A £2.50 baguette costs just £1 in an Outlet shop, and a £4 multipack of vegan sausage rolls costs just £1.50, so you can get good quality food at great prices which people really appreciate.

As well as helping people out in uncertain times and giving us a way to manage our unsold food, Outlets are also raising money for the Greggs Foundation. So Outlets are a win-win-win!”

4. HELPING OUR CUSTOMERS TO MAKE HEALTHIER CHOICES

OUR COMMITMENT

By 2025, 30% of the items on our shelves will be healthier choices and we will attract customers through education and promotions

Our customers lead increasingly busy lives, meaning that convenience is often one of the most important factors influencing their food choices. We want to be the nation's favourite destination for food-on-the-go but aim to make sure that 'convenient' can go hand-in-hand with 'healthy.'

This means offering a range of product choices, providing clear information to help people make good, well-informed decisions, and reformulating products to reduce ingredients like salt and sugar. We're also proud champions of vegetarian and vegan diets.

Product choices

We introduced our Balanced Choice range in 2016 and it is made up of products with good nutritional content and each contain fewer than 400 calories. In 2019, healthier choices (including Balanced Choice) made up **22% of the items on our shelves**, putting us on track to meet our **30% target by 2025**.

Clear information

We provide calorie and nutritional information for all of our products either on shelf, or through our website and mobile app. We were the **first UK food-on-the-go brand to introduce traffic light labelling** on our website and app and, in 2019, added it to our own-label crisps and drinks too. We also have traffic light labelling at the point of sale for sandwiches and savouries, and will extend to our sweet range in 2021.

We engaged with Diabetes UK on their Food Upfront Pledge, a campaign for clearer food labelling. They highlighted Greggs as an example of good practice.





Reformulation

We remain committed to selling our traditional bakery products, and have worked hard over many years to make these products the best they can be, whilst remaining true to their great tasting heritage. **Since 2016, we have removed 20% of the sugar** from our pastries, yoghurts, biscuits and cakes and, **over the coming four years, will reduce the calories and salt in a third of our products** to make sure that they meet or exceed the recommendations of Public Health England.



Vegan and vegetarian options

Many people want to eat less meat as part of a flexitarian, vegetarian or vegan diet. We have developed vegan versions of our best sellers, attracting new customers and helping existing customers to lower their meat consumption. At their 2019 Vegan Food Awards, **PETA declared our award-winning Vegan Sausage Roll the Product Launch of the Year**. They also named our Vegan Steak Bake the Best Vegan Pastry.



Helping people eat their veggies

Increased use of vegetables and salad is one of our strategic criteria for New Product Development. We are active supporters of the Food Foundation's campaign to help everyone in Britain eat an extra portion of fruit or veg a day. Our Veg Pledges include ensuring that all our soup and leaf-based meal salads provide at least one portion of veg, and that 50% of Greggs cold sandwiches provide half a portion of veg.

1 MILLION

In the first year alone, these initiatives helped our customers consume an additional 1 million portions of veg!



5. NET ZERO CARBON



OUR COMMITMENT

By 2025, we will be on our way to achieving carbon neutrality by using 100% renewable energy across all of our operations

We want Greggs to be a carbon neutral business. One of the most significant things that we can do to achieve this is to switch from using fossil fuels to renewable energy. Today, 96% of the electricity we use is from renewable sources, and is therefore carbon neutral. The goal is simple; we want that to be 100% by 2025.

We started on our journey by putting photovoltaic solar panels on the roof of nine of our manufacturing sites. In total, the panels have the capacity to generate 2111 kW every day – which is equivalent to the amount of energy used in 235 typical UK households.

However, we don't have sufficient roof space to generate enough renewable energy to meet our energy needs. That's why we have chosen to purchase green electricity from the grid: we now only buy green electricity. This single decision reduced the carbon intensity of our business by over two-thirds. Where we lease our stores and don't pay the electricity bill directly, we are talking to our landlords and asking them to switch to green electricity too.

Electricity accounts for around 60% of our total energy needs. **A further 10% comes from natural gas.** We use this to heat our ovens and boilers. We want to switch to using biogas instead of traditional fossil fuel gas and are talking to our gas suppliers to work out when we will be able to make the switch.

Around a quarter (24%) of our total energy requirement is powering our vehicles. We own a substantial fleet of delivery vehicles that move fresh products from our manufacturing sites and distribution centres to our stores. We want to have a greener logistics fleet so are now working with experts to evaluate different technologies and find the best solution.

In the meantime, we are training our drivers to be as efficient in their fuel use as possible and using telematics to monitor driving performance. Simple actions, like braking more gently, can make a big difference to fuel efficiency.

Refrigerant gases make up around 6% of our direct (scope 1 and 2) carbon footprint. We are reducing leakage of these potent greenhouse gases through improved maintenance while we explore alternative, less harmful alternatives.

5.



60% Electricity to provide power and lighting - 96% of this is carbon neutral.

10% Gas to heat our buildings and power our ovens - We are exploring more efficient boilers, heat recovery options and further use of solar energy.

24% Fuel for our delivery and vehicle fleet - We hope to move to electric vehicles by 2035.

6% Refrigerants used in our refrigeration plants and Heating Ventilation Air Conditioning in our sites and shops.

We know the climate emergency requires radical and urgent action.

That's why our board set up a Net Zero Taskforce made up of key people from across our business who, together, are helping us formulate our plan to challenge the climate impact of every area of our operations and drive action to reduce it.

We also know we can't do this alone so we are proud signatories of the British Retail Consortium's 'Climate Action Roadmap' looking to share knowledge, best practice and commitment across the industry.

We have aligned our Net Zero ambition with the BRC targets:

Scope 2 - **Net Zero by 2030**
 Scope 1 - **Net Zero by 2035**
 Scope 3 - **Net Zero by 2040**

So we'll be Net Zero Greggs by 2040 - 10 years ahead of the current UK Government plan.

Our efforts to cut carbon from our business have already been recognised by the Carbon Trust: we are **proud to hold the Carbon Trust Standard** which is a mark of excellence given to organisations that demonstrate success in cutting their carbon footprint. We are now working with them to model our scope 3 emissions - indirect emissions that occur in our value chain. This will tell us where the hotspots are in our supply chain, and **help us to identify opportunities for improving efficiency.**

During 2021, we will **complete the mapping of our whole carbon footprint**, enabling us to set Science Based Targets and plot our pathway to net zero.





Cutting carbon everywhere

Carbon reduction is an additional benefit of a number of our other projects:

1. We are introducing a range of new **energy-saving technologies** through our Eco Stores programme – see overleaf for more detail.
2. **Helping our customers to eat less meat:** Meat protein has a far higher carbon footprint than plant proteins. More and more of our customers are switching to a vegan, vegetarian or ‘flexitarian’ diet and we are meeting that need by introducing meat-free alternatives of our most popular lines, including a vegan sausage roll and vegan steak bake.
3. **Reducing packaging:** To make the best use of natural resources, we are cutting the amount of packaging we use. Any that remains will be made from material that is widely recycled. Single-use plastic packaging is an area of particular focus because it is created by refining petrochemicals which contributes to greenhouse gas emissions.
4. Deforestation is a major contributor to climate change. It can result from logging for timber or clearing forests so the land can be used for agriculture or livestock. To minimise the risk that our actions are contributing to deforestation, we aim to only buy paper and board packaging from suppliers who use raw materials covered by a scheme which ensures **sustainable forest management** – such as FSC or PEFC.
5. A global increase in demand for palm oil and soy has led to widespread deforestation in certain countries. **We are a member of the Roundtable on Sustainable Palm Oil (RSPO)**, a multi-stakeholder group that sets the global standard for sustainable palm oil. Palm oil is present in a small number of the ingredients that we purchase, and we ask our suppliers to confirm that it is RSPO certified. We buy a small amount of soy directly and we are working with suppliers to ensure it is sustainably sourced. We also recognise that it is present in our meat supply chain since it is commonly used in animal feed. We are working with our meat suppliers to increase the use of responsibly sourced soy.

NET ZERO CARBON BY 2040

6. BUILDING THE SHOPS OF THE FUTURE

OUR COMMITMENT

By 2025, 25% of our shops will feature elements from our Eco-Shop store of the future design

In 2020, we built 84 new shops around the country and refitted a further 33. This provides us with a great opportunity to tweak our approach and think cleverly about ways to save energy and do our bit to be more environmentally-friendly.

All new shops include certain things as standard, such as **putting doors on all our self-select fridges**, so we don't waste the cold air, or **using LED lighting** instead of the more energy-hungry incandescent style of bulb. The majority of our new shops also have **automatic front doors**, so we aren't heating the pavement in winter.

We're always on the lookout for new green technologies that might work for Greggs. We've created a template for a shop that **incorporates sustainable thinking from the design stage**. The template considers how we build our shops, and what we make them out of, as well as the technology and fittings that we install and run inside them. It even considers how we decommission the shop and recycle components from it. This shop of the future template is helping us to push the boundaries of what is possible. We call it our Eco Shop design.

Ideas that we successfully test in an Eco Shop can then be considered for use elsewhere. As well as using them in our new shops, we are also retrofitting our existing shops: **by 2025, we want at least a quarter of our stores to feature elements from the Eco Shop design**.

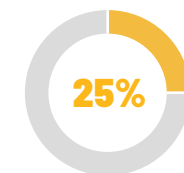


In 2020

84 NEW SHOPS

33 SHOPS REFURBISHED

In 2025



feature elements from the Eco Shop design.



Measuring our success

We use an Environmental Management System to help us minimise the environmental impact of all our operations thoughtfully and systematically. It covers all of our manufacturing sites, retail shops and distribution centres and is helping us to track and meet our targets to cut our carbon emissions and reduce waste.

The Environmental Management System is accredited to ISO 140001:2015 which means we are using a recognised and respected framework to guide our actions.



The external auditor who conducted an independent review of our System commented:

"Greggs should be really proud of what they have achieved. It's quite unusual for companies in their position to go for certification across their entire Company just because they believe 'it is the right thing to do' – a huge achievement and one which should not be underestimated."

7. USING LESS PACKAGING

OUR COMMITMENT

By 2025, we will use 25% less packaging, by weight, than in 2019 and any remaining packaging will be made from material that is widely recycled

Product packaging is obviously a necessity. We use it to keep things fresh and uncontaminated in our supply chain, and our customers need it to carry their purchases away from our shops. However, we want to make sure we are not using more than we need to, and have therefore pledged to cut the amount we use by a quarter by 2025.

We started with plastic because we know that it doesn't biodegrade and is therefore more likely to create environmental problems like littering and pollution; not to mention that it requires fossil fuels to make it in the first place.

In 2019, we cut 350 tonnes of single-use plastics from our operations and, by 2025, want to eliminate all unnecessary single use plastic from our shops and manufacturing sites. For instance, instead of using clear plastic 'lifting sheets' to put a food product into a bag without touching it, we now have reusable tongs. We have also substituted plastic items with more sustainable materials, such as swapping plastic bags for paper bags, plastic cutlery for sustainable wooden cutlery, and plastic packaging for cardboard packaging. **We've even changed our gift cards from plastic to a paper-based alternative.**

The durability and light weight of plastic makes it hard to replace in a number of instances. A resealable 500ml bottle for sparkling soft drinks is undoubtedly the most sensible packaging



choice, so we'll continue to use plastic packaging where it is the most appropriate material. However, we've made a commitment to **include an average of at least 50% recycled content in all plastic packaging** used for Greggs branded products. We'll also ensure that **100% of the plastic packaging collected by Greggs is recycled** through the most appropriate route.

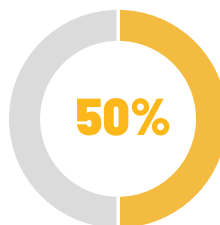
As well as this, we've partnered with Refill UK to **provide free drinking water** to the increasing number of customers wishing to refill their own bottles.



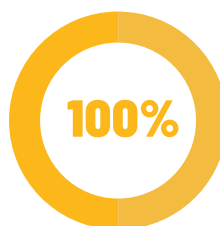
After plastic, our next biggest focus area is coffee cups, partly because we sell a lot of coffee and partly because the cups aren't currently widely recycled. The UK's recycling infrastructure struggles to collect and reprocess these plastic-lined paper cups. So, while we work with our industry peers to develop sector-wide improvements in the way we manage coffee cup usage and disposal, **we want to help shift people towards reusable alternatives.** Our reusable cup, which gets customers a **discount of 20 pence on any hot drink**, is increasingly popular.



Whatever materials we use for our packaging, we recognise that not all of it gets recycled or disposed of responsibly. **We aim to play our part in reducing litter by supporting national environmental initiatives**, including Keep Britain Tidy's Great British Spring Clean, which we supported in 2020 for the third year running.



Recycled content in all plastic packaging



Of plastic packaging collected by Greggs is recycled



20p
DISCOUNT

On any hot drink sold in our reusable cup

8. EMBRACING DIVERSITY

OUR COMMITMENT

By 2025, our workforce will reflect the communities we serve

Businesses which truly value difference, perform better, are great places to work and can attract the very best talent. If our colleagues are representative of the communities we serve, then we can better understand our customers and make sure they have a great experience when they shop with us, which in turn makes them come back again and again.

We're pretty proud of our reputation as a great employer but we're not complacent and recognise that there is more that we can do, particularly in the area of diversity.

We want everyone to feel welcomed at Greggs and our colleagues to be able to be themselves at work, whatever their background, preferences, or views.

We also want to make sure there are **no barriers** that might stop anyone from growing a successful career with us. We know that being a diverse business is critical to our future growth.

We signed up to the National Equality Standard (NES) in 2017 and renewed our commitment in 2020. The NES was developed by EY in partnership with 18 other UK and global organisations and the Equality and Human Rights Commission, it is supported by the Home Office and Confederation of British Industry and seeks to provide organisations with a comprehensive insight into Equality, Diversity and Inclusion (EDI) within their operations.

We are working hard to **improve the data we hold for our colleagues** in relation to their gender, ethnic origin, sexual orientation and whether or not they have a disability. Understanding this



data across Greggs will really help us to make decisions and develop our plans to **ensure we grow as a diverse company and are representative of the communities we serve.**

We plan to collect this data across the whole employee lifecycle – right from when our colleagues start their journey with Greggs. Once we have this data, which we will need the support of all our colleagues to collect, we will be able to review and understand our current position in more detail and start to measure this moving forward during the attraction, recruitment and development of our teams.



We conduct regular **listening groups** where we ask our colleagues to share their experiences and their opinions. We annually carry out our **Employee Opinion Survey** which includes specific questions about diversity and inclusion. We have a colleague owned and led LGBT network at Greggs House and are planning to extend that across our colleagues in Retail and Supply and our Women's Development Programme is aimed at encouraging our highest performing females to develop into Senior roles within the business. In addition to this, we are planning to host listening groups specifically for Black, Asian and minority ethnic (BAME) colleagues to get feedback on our plans and to learn more about their experience at Greggs and the areas we may need to support and develop.

To ensure all these networks are fully supported, there will be a member of the Operating Board nominated to each as a sponsor. We will also be continuing with the great work that we have undertaken for many years as part of our **Fresh Start programme** supporting hard to reach people

who find it difficult to break out of unemployment as well as continuing our Supported Hours initiative in our shops to help maintain employment for colleagues with disabilities who otherwise may struggle.

Being an inclusive company involves everyone, so we will be running **diversity awareness sessions** for all our colleagues. People with responsibility for either managing others or recruiting new team members will receive additional training to make sure they are **leading and recruiting in an inclusive way** being conscious of their own bias and how this may impact their decisions.

We are also reviewing our recruitment processes and will be updating our materials and website to ensure full consideration has been given to diversity and inclusion.



Luke joined the Greggs family as part of the WorkFit programme in 2016, and has been a valued member of the team ever since.

9. SOURCING SUSTAINABLY



OUR COMMITMENT

By 2025, we will have a robust Responsible Sourcing Strategy in place and will report annually on progress towards our targets

We believe in doing business in a way that has a positive impact on the wider world. When it comes to sourcing the ingredients that we need to make our products, or the goods and services that enable us to run our business, this means taking care that they are produced and delivered responsibly. We expect our suppliers to work in ways that avoid the abuse or exploitation of workers, animals or the environment.

As a business with a reputation for providing great value products, **we work hard to find a balanced outcome when commercial considerations pull in a different direction from our responsible sourcing objectives.** We have clear policies about the procurement of certain high-risk commodities (such as tuna or palm oil) and are committed to continuous progress. Where relevant and available, we adopt industry accepted standards and, over the coming year, will set a series of annual targets and will detail progress in our next sustainability report.

In the meantime, we set out below our six key principles:

We treat our suppliers with respect

Our 'Business Conduct' policies ensure **our values are reflected** in our responsible sourcing policies and in how we manage our relationships with everyone with whom we do business.

We have our own Procurement Code of Conduct that sets out the principles of fair dealing, and are signatories to the 'Prompt Payment Code' meaning we pay on time, within the terms we agreed at the outset. **This is helpful for all businesses but is especially important for our smaller suppliers,** helping them to manage their cashflow.

We care about how animals are treated

Animal welfare is a top business priority at Greggs. We choose to buy animal products from suppliers that can demonstrate that they avoid the abuse or exploitation of animals. **See pledge 10, for more detailed information.**



We respect human rights

It is one of our core values that all of our employees deserve the right to live and work with dignity and respect. We believe this ethos should equally apply to the employees of our suppliers, business partners and wider supply chain. **We therefore take steps to ensure that sound social and ethical practices are upheld.** As you'd expect, we don't tolerate any form of slavery, forced labour or human trafficking, whether directly within our own business or within the operations and activities of our suppliers, business partners and wider supply chain, whether within the UK or overseas.

We cover this topic in more detail in our Modern Slavery Policy (which covers how we mitigate the risk in our supply chain) and our annual Modern Slavery Statement (which explains the steps we are taking to prevent it within our own business). **Both documents are available on our corporate website.**

We support Fairtrade

100% of the tea, freshly ground coffee, hot chocolate, sugar sachets, orange juice and apple juice we sell are certified Fairtrade. This allows us to support marginalised producers in developing countries by guaranteeing a minimum price and a Fairtrade premium. **This secure income allows producers to plan for a more sustainable future** as well as support their local communities through investment in local schools, health care and infrastructure.

We support local businesses

We believe in supporting British businesses. **97% of our spend is with UK suppliers.** Not only does this support the local economy but it cuts down on transport miles too.

We respect the environment

We don't want to contribute to the serious issue of deforestation, and we require all the wood-based products and palm oil derived ingredients that we procure to be certified as sustainable.

We aim for all the paper and board we procure comes from certified sustainably managed forests, as confirmed by either the FSC or PEFC schemes.

We're members of the Roundtable on Sustainable Palm Oil (RSPO), a multi-stakeholder group that sets the global standard for sustainable palm oil. All declared ingredients which contain palm oil are RSPO certified. Any liquid or boxed palm oil purchased by Greggs is fully segregated and RSPO certified.





HOW WE MAINTAIN OUR HIGH STANDARDS

Supply chain standards

Our Responsible Sourcing Policy (available on our [website](#)) defines the minimum standards required from our suppliers and is used as a contributing factor within our supplier approval process. Before they begin to supply to us, they must go through an **onboarding process** and provide information to us that allows us to verify that they operate responsibly.

Auditing

We scrutinise adherence to our policy by conducting **annual audits** of all our tier one ingredient suppliers. We either conduct these audits ourselves or work with third party auditors.

Transparency

Greggs and many of our suppliers are member of **Sedex (the Supplier Ethical Data Exchange)** which is one of the world's largest collaborative platforms for sharing responsible sourcing data on supply chains.

Safeguarding



We recently obtained an **Ethical Kite Mark** from the Chartered Institute of Procurement and Supply which acknowledged the steps we have taken to **safeguard against unethical conduct** in procurement and supply management.

Grievance mechanisms

We have a **dedicated telephone number** where our people and suppliers can raise concerns anonymously.

Working in partnership with others

We recognise the importance of collaborating with our industry peers to drive improvements in supplier chain standards. We are members of the **British Retail Consortium, the British Frozen Food Federation, the Roundtable on Sustainable Palm Oil, and the Food Foundation.**

10. PROTECTING ANIMAL WELFARE



OUR COMMITMENT

By 2025, we will secure and maintain Tier 1 in the BBAW Animal Welfare standard

Animal welfare is a priority for Greggs, and we want to do the right thing: ethical sourcing is consistent with our values and nothing less than you would expect from us.

We expect all livestock and seafood species supplied to us to have been well treated. Our suppliers must meet or exceed farm animal welfare regulations. We've set out these expectations in the **Greggs Farm Animal Welfare Standards**, a clear set of rules that we developed with consideration of the Farm Animal Welfare Committee's 'Five Freedoms':

- **Freedom from hunger and thirst** - by ready access to fresh water and a diet to maintain full health and vigour;
- **Freedom from discomfort** - by providing an appropriate environment including shelter and a comfortable resting area;
- **Freedom from pain, injury or disease** - by prevention or rapid diagnosis and treatment;
- **Freedom to express normal behaviour** - by providing sufficient space, proper facilities and company of the animal's own kind;
- **Freedom from fear and distress** - by ensuring conditions and treatment which avoid mental suffering.



Over the last six years, we've worked with our suppliers to implement the Greggs Farm Animal Welfare Standards with the ambition of avoiding the abuse or exploitation of animals.

Implementing the Greggs Farm Animal Welfare Standards

- 2014** We started with primary sourced raw pork, raw beef, raw mutton, cooked chicken and whole/shell eggs
- 2016** Milk, cream, liquid egg and wild caught Skipjack tuna were added
- 2017** We added turkey meat, chicken goujons, ham, raw bacon, mayonnaise, and processed dairy products (butter, cheese, yoghurt and quark) and the prawns that we purchase
- 2018** We added pepperoni and chicken
- 2019** We added the rest of the meat products that we purchase
- 2022** Every remaining ingredient that contains animal products will be covered



Maintaining our high standards

All of our suppliers of ingredients and products from livestock and seafood are contractually obliged to meet our standards.

We support them to do this, and monitor compliance, through on-going supplier engagement. This includes educating our suppliers on our requirements and expectations, visiting their production sites, and conducting audits.

Tracking progress

We measure performance against the following key performance indicators. Our aspiration is to score 0% or 100%, depending on the measure. On the right, we provide data for 2020:

	Target	2020
The proportion of animals that are stunned before slaughter	100%	100%
The proportion of live animals transported over eight hours	0%	0%
The proportion of animals that are reared without close confinement	100%	Broiler chickens 100% Beef cattle 100% Sheep 100% Laying hens 91% Dairy cattle 91% Pigs 2%
The proportion of animals that are reared without using growth promoters	100%	100%
The proportion of animals which are genetically modified or cloned	0%	0%
The proportion of dairy cows that are free from tethering	100%	100%
The proportion of broiler chickens that are reared at stocking densities of 30Kg/M2 or less	100%	84%
The proportion of dairy cows that are free from tail docking	100%	100%

10.

Measuring our progress

We recognise that improving farm animal welfare is a process and choose to benchmark our progress against recognised industry schemes in order to demonstrate our **ongoing commitment**.

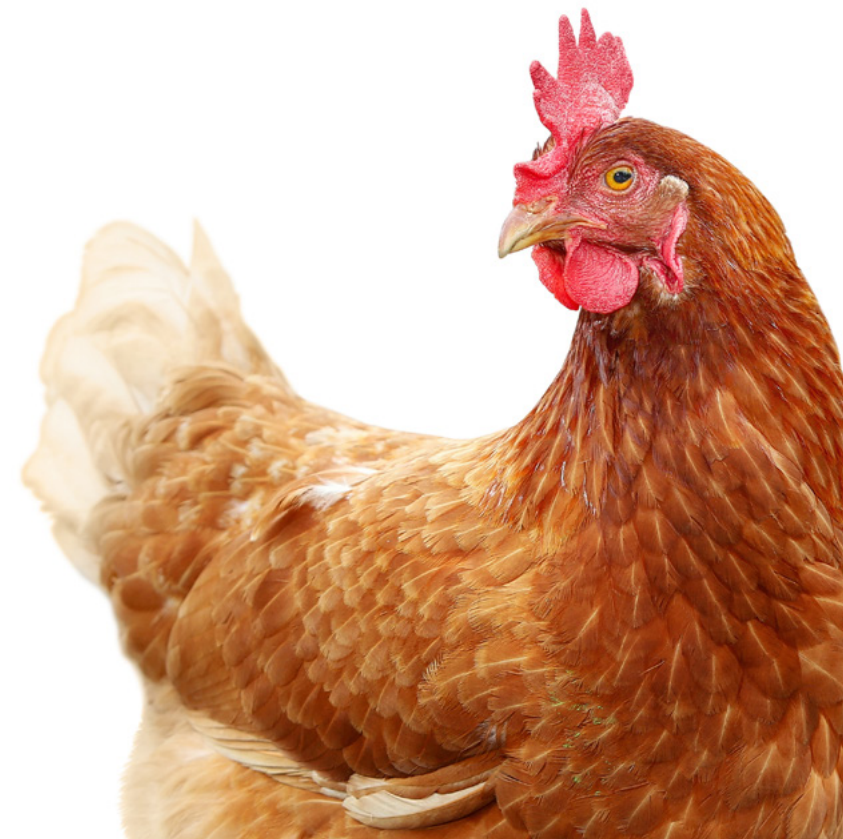
We participate in the annual **Business Benchmark on Farm Animal Welfare (BBFAW)**. The BBFAW provides a practical and respected framework, against which we can assess our progress and use their feedback to improve the animal welfare standards in our supply chain.

In 2019, for the fourth consecutive year, we maintained our Tier Two rating in their annual report and expect to hold our Tier Two rating for a further year when 2020 results are confirmed.




By 2025, we intend to secure and then maintain Tier One rating. To do this, we are stepping up our efforts in the areas of management commitment, policy, governance and performance monitoring.



We are proud to have held a Good Egg Award from Compassion in World Farming (CiWF) since 2014 for using **cage-free** whole and shell eggs. They gave us a second Good Egg Award in 2017 when we committed to source our liquid egg from eggs laid by cage free hens by 2022. We delivered on this commitment more than two years early and since **December 2019**, all our liquid egg now also comes from eggs laid by **free-range** hens.



WHAT WE ARE **DOING** AND WHEN

	OUR COMMITMENT – BY 2025	BY THE END OF 2021	
<div>STRONGER, HEALTHIER COMMUNITIES</div> <div></div>	Growing Greggs Breakfast Clubs	Support 1,000 school Breakfast Clubs providing some 70,000 meals each school day.	We will have 680 Breakfast Clubs .
	Putting an end to food waste	Create 25% less food waste than in 2018 and continue to work towards 100% of surplus food going to those most in need.	We will have reduced the amount of food waste we create in our manufacturing operations by 10% .
	Supporting our communities	50 Greggs Outlet shops providing affordable food in areas of social deprivation, with a share of profits given to local community organisations.	We will have 30 Greggs Outlet shops .
	Helping our customers make healthier choices	30% of the items on our shelves will be healthier choices and we will attract customers through education and promotions.	25% of the items on our shelves will be healthier choices .
<div>SAFER PLANET</div> <div></div>	Going carbon neutral	We will be on our way to achieving carbon neutrality by using 100% renewable energy across all of our operations.	We will have completed Carbon Footprint modelling (Scope 3).
	Building the shops of the future	25% of our shops will feature elements from our Eco-Shop store of the future design.	We will have created initial design and operational requirements for our EcoShop.
	Using less packaging	Use 25% less packaging , by weight, than in 2019 and any remaining packaging will be made from material that is widely recycled.	We will have reviewed all packaging against 'On Pack Recycling Label' (OPRL) criteria.
<div>BETTER BUSINESS</div> <div></div>	Embracing diversity	To ensure we grow as a diverse company and are representative of the communities we serve .	We will have completed the assessment process for the National Equality Standard.
	Sourcing sustainably	We will have a robust Responsible Sourcing Strategy in place and will report annually on progress towards our targets.	We will have ensured all direct purchases of Soy are verified as 'Identity Preserved' and have completed a review of all other uses of soy in our ingredients.
	Protecting animal welfare	Secure and maintain Tier 1 in the BBAW Animal Welfare standard .	We will have developed and implemented our roadmap to achieve Tier 1 rating.