

Independent Assurance of Whitbread's Sustainability Data 2017/2018

ISAE 3000 Statement

May 2018

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The nature of the assurance

This is a report by Corporate Citizenship for the management of Whitbread plc.

Corporate Citizenship has undertaken **limited** assurance of the sustainability data within the *Whitbread Annual Report & Accounts 2017/18* against the GRI Principles for Defining Report Quality.

The data relates to Whitbread Hotels and Restaurants and Costa in the United Kingdom, and international operations where Whitbread has a majority stake. The assurance covers the Whitbread financial year 2017-2018 (1st March 2017 – 28th February 2018). Selected sustainability metrics were assured spanning the three Force for Good focus areas: Teams and communities, Customer wellbeing and Environment, including¹:

- WISE (Whitbread Apprenticeship Programme, work experience placements and employment placements)
- Charity partnerships (Costa Foundation, GOSH and Derwen)
- Sustainable sourcing
- Nutrition
- GHG emissions (Scope 1; Scope 2 location-based)²
- Water
- Waste and recycling

Whitbread is entirely and solely responsible for the production and publication of the data assured, Corporate Citizenship for its assurance.

This engagement was performed in accordance with the International Standard on Assurance Engagement (ISAE) 3000 (*Assurance Engagements other than Audits or Reviews of Historical Financial Information*) and the

¹ A full list of indicators checked is given in Appendix 1.

² See Appendix 2 for more detail on GHG emissions, including verification of Scope 2 market-based emissions for the purposes of CDP reporting.

relevant subject-matter specific ISAE for GHG data (ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*).

The carbon emissions data has been prepared using the UK Department for Environment, Food and Rural Affairs (DEFRA) Environmental Reporting Guidelines: Including mandatory greenhouse gas reporting guidance (June 2013) and the appropriate GHG conversion factors for company reporting, as published by DEFRA and the International Energy Agency (IEA).

GHG quantification is subject to inherent uncertainty due to factors such as incomplete scientific knowledge about the global warming potential of different GHGs and uncertainty around the models and parameters used in estimating GHG emissions.

Corporate Citizenship has complied with the requirements for independence, professional ethics and quality control as stipulated by ISAE 3000.

Assurance work performed

The assurance work commenced in March 2018 and was completed on 01 May 2018. Detailed records were kept of meetings, assurance visits and correspondence relating to the assurance. A team of two, led by a Senior Consultant, undertook the assurance and commentary process. A Director acted as adviser to the project.

The assurance engagement was undertaken to a **limited** level, and involved the following activities:

- In-depth management interviews with key persons responsible for sustainability data to understand the overall management of these programmes, and to discuss key trends and the process for collecting, validating and consolidating the data, relating to the following areas:
 - Whitbread Sustainability Strategy (overarching) – CSR Director; Sustainability Manager;
 - Costa Foundation – Charity & Community Manager, Costa Coffee;
 - Environment – Head of Energy & Environment, PI&R; Energy & Environment Manager, PI&R; Energy & Environment Analyst, Costa;
 - Charity partnerships (including with Great Ormond Street Hospital) – Head of Charity Partnerships, PI&R;
 - Nutrition – Account Director, NSF;
 - Responsible Sourcing – Head of Responsible Sourcing; and
 - WISE – WISE Funding & Data Manager.

- Site visits to a Costa Coffee and Premier Inn facility to conduct on site audits of data collection processes and procedures;
- Checks on a sample basis of consolidated data to underlying records to check for consistency and accuracy of reporting;
- Reviews of the systems used to record and analyse sustainability performance data to assess robustness;
- Review of GHG calculation methods, including emission factors used and aggregation to the final GHG footprint; and
- Examination of the 2017/18 Annual Report & Accounts to assess the sustainability content against the Global Reporting Initiative's Principles for Determining Report Quality, namely: balance, comparability, accuracy, timeliness, clarity, and reliability of reporting.

Our experience and independence

Corporate Citizenship is a specialist management consultancy, advising corporations that seek to improve their economic, social and environmental performance around the world and is a leading assessor of corporate responsibility and sustainability reports. Corporate Citizenship has worked with Whitbread since 2002 and has provided assurance of their sustainability reporting since 2007. During the reporting period our work with Whitbread focused exclusively on assurance except for assisting Whitbread to respond to the Dow Jones Sustainability Indices and to CDP's climate change questionnaire.

Conclusion

Based on the scope of work and assurance procedures performed, nothing has come to our attention that causes us to believe that the sustainability data is not prepared, in all material respects, in accordance with the GRI Principles for Defining Report Quality and in accordance with the DEFRA Environmental Reporting Guidelines.

Corporate Citizenship Limited

London

10 May 2018

Appendix 1

List of indicators checked ³

Environment ⁴

- Scope 1 GHGs (tCO₂e)
- Scope 2 GHGs (tCO₂e) – Location and market-based methodologies⁵
- % reduction of carbon per £m turnover against 14/15 baseline
- % reduction of carbon per £m turnover against 16/17 baseline
- Water consumption (m³)
- % reduction of cubic metres of water per £million turnover since 14/15 baseline
- % reduction of cubic metres of water per £million turnover since 16/17
- Waste volumes (tonnes)
- % direct operations recycling rate
- % of waste diverted from landfill
- Amount of carbon saved (tCO₂e)
- Procurement of renewable energy (%) for Whitbread-owned sites as of August 2017

³ All indicators refer to Whitbread Group and to Whitbread financial year 17/18 unless otherwise specified.

⁴ Where changes against a baseline value are reported, the assurance covers the values reported in 17/18 and the change from the baseline values, but not the baseline value itself (which was assured in previous years).

⁵ Location-based Scope 2 was reported in Whitbread's Annual Report and Accounts. In addition to and alongside this figure, market-based Scope 2 was reported in Whitbread's CDP response. Both figures were checked as part of the assurance. See Appendix 2 for more details.

- Amount invested in energy reduction projects across our hotels and restaurants (£m)
- Revenue benefits delivered as result of investment in energy reduction projects across hotels and restaurants (£m)
- Tonnes of waste sent to bio-bean (Costa)
- Cups diverted from landfill since the launch of the nationwide cup recycling scheme (weight & number) (Costa)
- New Roastery production capacity (tonnes/year) (Costa)

Nutrition

- Reduction of added sugar in all drinks (%) since target was set (Costa)
- Reduction of added sugar in Costa Ice Range (%) since target was set (Costa)
- Reduction of added salt in sandwiches (%) since target was set (Costa)

WISE

- Number currently working towards an apprenticeship
- Number of full apprenticeships achieved since 2014/15
- Number of work experience placements this year
- Number of work experience placements since 2014/15
- Number of employment placements this year
- Number of employment placements since 2014/15
- Amount invested in its WISE apprenticeship programme in the year (£)
- Number of qualifications awarded this year
- Number of qualifications awarded since WISE began
- Number of qualifications awarded (since 2014/15)
- Number of external placements since we started our Derwen partnership in 2013

- Number of students that have gone on to take up permanent roles in Premier Inn since the Derwen- Premier Inn partnership began in 2013
- Number of students that have gone on to take up permanent roles in Premier Inn since the Derwen- Premier Inn partnership began in 2013
- Number of Derwen students that have benefited from working in the training centre since opened

Charity

- Amount raised for GOSH this year (£)
- Amount raised for GOSH since partnership began (£)
- Amount raised for Costa Foundation this year (£)
- Amount raised for Costa Foundation since target set (£)
- Number of school projects completed with Costa Foundation's help this year
- Number of school projects completed with Costa Foundation's help since start of Costa Foundation
- Number of hours donated to the community this year
- Number of hours donated to the community since the community Programme began
- Amount raised from the 2017 Three Peaks Challenge
- Tonnes of rubbish collected in The Great British Spring Clean 2017
- Number of books donated to local schools

Supply chain

- Number of critical suppliers registered and on-boarded to Responsible Sourcing programme
- % of wild caught fish products accredited to MSC
- Number of cotton farmers enrolled via CottonConnect in 2017/18
- Number of 3rd Party Audits undertaken across global supply chain

Appendix 2

Verification of GHG emissions

For the purposes of the reporting of sustainability data in Whitbread's Annual Report and Accounts, the following GHG data was assured for Whitbread financial year 2017/18:

- Scope 1 GHGs: 97 363 tCO₂e
- Scope 2 GHGs (location-based methodology): 117 090 tCO₂e

For the purposes of Whitbread's reporting to CDP's Climate Change questionnaire in 2018, separate assurance of Whitbread's Scope 2 GHG emissions was undertaken using the market-based methodology, as described in the World Resources Institute (WRI)'s *GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard (2015)*. The following data was assured for Whitbread financial year 2017/18:

- Scope 2 GHGs (market-based methodology): 44 216 tCO₂e

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