



THE GREGGS PLEDGE

**DEDICATED TO
DOING GOOD**



SUSTAINABILITY REPORT 2022



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BUILDING STRONGER, HEALTHIER COMMUNITIES

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

[Read more on pages 10 to 21](#) →

EMBRACING DIVERSITY AND SHAPING A BETTER BUSINESS

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.

[Read more on pages 32 and 41](#) →



MAKING THE PLANET A SAFER PLACE

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

[Read more on pages 22 to 39](#) →



OVERVIEW

A MESSAGE FROM OUR CHIEF EXECUTIVE

Since Greggs began, we have found ways to make the world a better place. Whether helping people in our local community or raising money for a national charity, we have always believed in sharing our success with others.

In 2021, we launched The Greggs Pledge, setting out ten areas where we wanted to make the world a better place. We committed to help build stronger, healthier communities, make the planet safer and do more to be a better business. To be transparent about, and accountable for what we wanted to achieve, we set a series of ambitious targets with a deadline of the end of 2025. We are now almost at the mid-point, and I am pleased to report that we are on track to meet each one.

Building stronger, healthier communities

In these tough economic times, we remain committed to improving the nation's diet by helping to tackle obesity, providing free breakfasts to schoolchildren and giving surplus food to those most in need.

By the end of 2022, each school day, 49,000 schoolchildren were given a free breakfast in a Greggs Foundation Breakfast Club – our target by the end of 2025 is 70,000.

In 2022, we opened more Greggs Outlet shops and sold our one millionth 'Magic Bag' via the Too Good To Go app, meaning many more customers are able to access our food at a big discount. We share a proportion of the profits from our Outlet shops with local community organisations that are working to tackle food poverty. In 2022, they received £417,000 from us. In addition, we gave 1,165 tonnes of unsold food to local and national charities to redistribute to those in need.

We are on a mission to help our customers to make healthier choices. In 2022, 32% of the items on our shelves were a healthier choice and we continue to reformulate our products to reduce salt, fat and calories, and to make it as easy as possible for people to make an informed choice.

[Continued on next page...](#)



DEDICATED TO DOING GOOD AND LEADING POSITIVE CHANGES

OVERVIEW CONTINUED
A MESSAGE FROM OUR CHIEF EXECUTIVE CONTINUED

Making the planet safer

The impact of climate change remains both real and frightening and our work towards our longer-term net zero goals has started well – our science-based targets have been approved by the Science Based Target initiative, we have opened our first Eco-Shop and we continue to switch to renewable energy across our operations.

We remain focused on removing all unnecessary packaging and making what we must use even lighter, as well as switching to materials that contain more recycled content and/or are easier to recycle.



“Greggs colleagues are the engine behind so much of the progress towards our 2025 targets: looking out for each other, raising money, supporting change projects – and in a hundred other ways, living our values every day.”

Becoming a better business

As Greggs grows, we create more jobs, and pay more tax contributions to the UK’s economy. But being a good corporate citizen means doing much more than that.

We want our colleagues to feel welcome and to be able to be themselves at work, whatever their background, preferences or beliefs. This year, we achieved the National Equality Standard, the country’s leading diversity, equity and inclusion standard. Our colleague networks (Women, LGBTQ+, Disability & Ethnicity) continue to contribute to the discussion on how we make our business better still.

We are also striving to make things better in our supply chain and are working in partnership with our suppliers to look after workers and ensure we procure in a more responsible and sustainable way.

Greggs colleagues are the engine behind so much of the progress towards our 2025 targets: looking out for each other, raising money, supporting change projects – and in a hundred other ways, living our values every day. Like me, I know they are proud of the role that Greggs plays in wider society, and never stop wanting to do more. I’d like to thank them for their energy and passion for The Greggs Pledge and encourage them to keep on raising the bar higher.

Roisin Currie

Roisin Currie, Chief Executive
 March 2023



COMMITTED TO MAKING THE WORLD A BETTER PLACE

OUR PURPOSE

To make great tasting, freshly-prepared food accessible to everyone.

OUR VISION

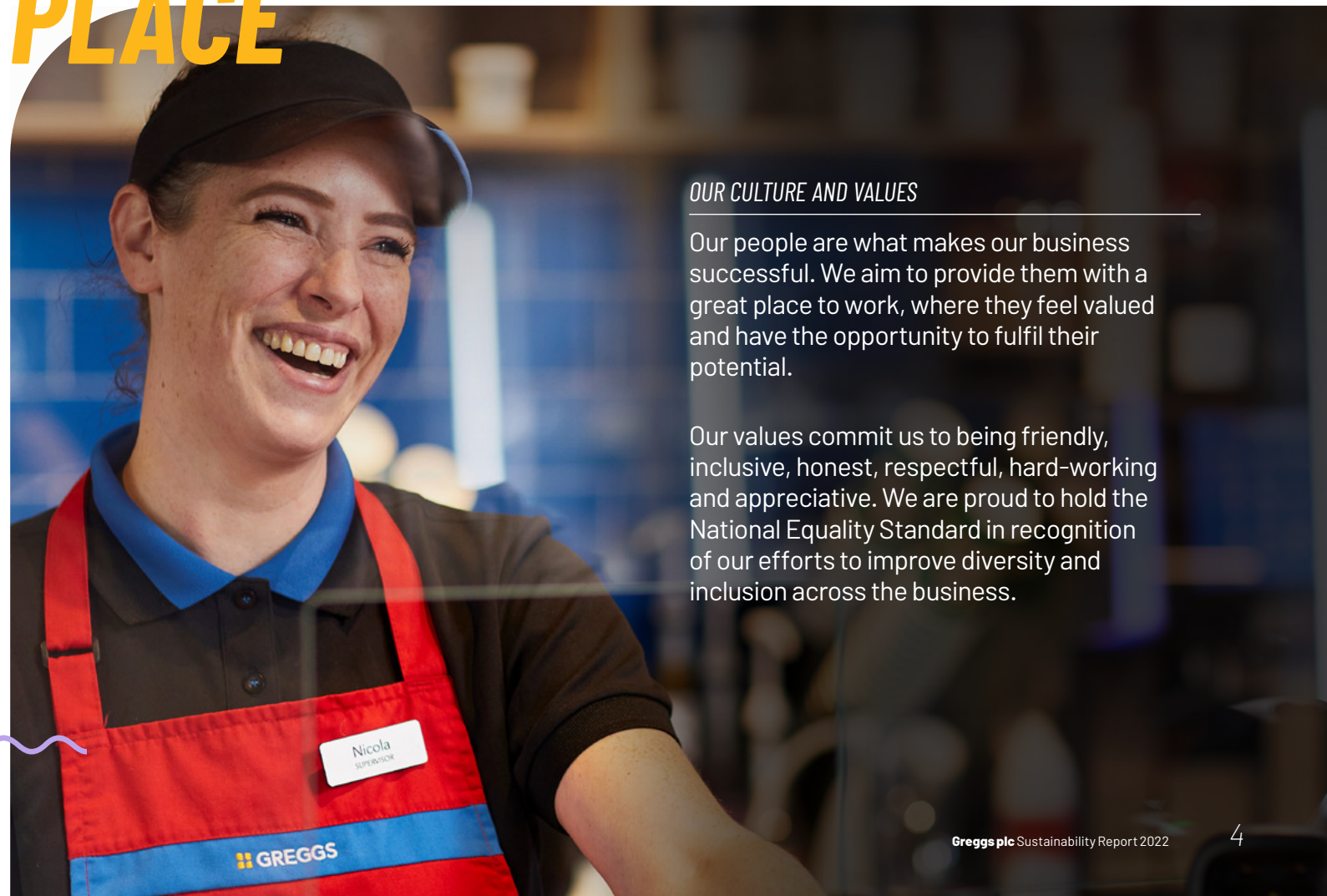
To be the customers' favourite for food-to-go.

We've been around for over 80 years, building a reputation for offering great quality, freshly-prepared food at affordable prices with great service. We are a much-loved and trusted brand that is for everyone and available to serve our customers wherever, whenever and however they choose.

OUR CULTURE AND VALUES

Our people are what makes our business successful. We aim to provide them with a great place to work, where they feel valued and have the opportunity to fulfil their potential.

Our values commit us to being friendly, inclusive, honest, respectful, hard-working and appreciative. We are proud to hold the National Equality Standard in recognition of our efforts to improve diversity and inclusion across the business.



THE GREGGS PLEDGE

In February 2021, we launched The Greggs Pledge which declared ten things we are doing to help make the world a better place by the end of 2025, and beyond.

We have always been committed to doing the right thing, but we wanted to be more specific about how we channel our efforts and resources into doing good. We reflected on what we could do to have the most positive impact on the world around us, and have chosen to dedicate our efforts to three areas: communities, the planet and our approach to business. We have set ourselves ten stretching targets to be achieved by the end of 2025.

1. STRONGER, HEALTHIER COMMUNITIES



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.

Growing Greggs Breakfast Clubs:

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

Putting an end to food waste:

By the end of 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.

Supporting our communities:

By the end of 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.

Helping our customers to make healthier choices:

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

2. SAFER PLANET



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

Building the shops of the future:

By the end of 2025, 25% of our shops will feature elements from our Eco-Shop ‘shop of the future’ design.

Going carbon neutral:

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

Using less packaging:

By the end of 2025, we will use 25% less packaging, by weight (as a percentage of sales), than in 2019 and any remaining packaging will be made from material that is more easily recycled.

3. BETTER BUSINESS



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.

Embracing diversity:

By the end of 2025, our workforce will reflect the communities we serve.

Sourcing sustainably:

By the end of 2025, we will have a robust, responsible sourcing strategy in place and will report annually on progress towards our targets.

Protecting animal welfare:

By the end of 2025, we will secure and maintain Tier 1 in the BBFAW Animal Welfare standard.



AIMING HIGH AND MAKING AN IMPACT

The UN Sustainable Development Goals (SDGs) are a collection of 17 interconnected goals to drive global progress towards a more environmentally and socially responsible world by 2030.

In 2022, we carried out an assessment that considered the SDGs alongside The Greggs Pledge to understand our current alignment. Using an external consultant to conduct the assessment, we considered each SDG and its UN targets and cross-referenced these with our ten commitments. Crucially, the indicators below each target were looked at to see if Greggs could evidence a meaningful contribution to that target.

As a result, the SDGs were grouped into three clear categories for our business:

Greggs impacts:

These are the goals that Greggs can influence and have the greatest impact on. See the table on the following page for more information.



Greggs contributes:

These are the goals that Greggs' business activities can positively contribute towards but which require support and contribution from a wider network.



Greggs supports:

These are the goals that Greggs acknowledges are an important part of being a responsible business and guide our ways of working but which we cannot make a direct impact on.



OUR CONTRIBUTION TO THE UNITED NATIONS (UN) SUSTAINABLE DEVELOPMENT GOALS CONTINUED

UN SDGs	Relevant UN targets	Greggs Pledge-related goals (2025 targets)	2022 progress
	2.1 2.2	<ul style="list-style-type: none"> We will support 1,000 school Breakfast Clubs providing some 70,000 meals each school day (page 10). 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 (page 13). 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 working to tackle food poverty and associated issues (page 16). 30% of items on our shelves will be healthier choices and we will attract customers through education and promotions (page 19). 	<ul style="list-style-type: none"> 789 Greggs Breakfast Clubs feeding 49,000 children every school day. We opened our 30th Greggs Outlet shop*. Once again, we beat our target with 32% of the products on our shelves being healthier choices.
	7.2	<ul style="list-style-type: none"> We will be on our way to achieving carbon neutrality by using 100% renewable energy across all our operations (page 22). 25% of our shops will feature elements from our Eco-Shop 'store of the future' design (page 26). 	<ul style="list-style-type: none"> We have set near-term science-based emissions reduction targets which have been approved by the Science Based Targets initiative (SBTi). We launched new green initiatives in over 250 shops.
	8.5 8.6	<ul style="list-style-type: none"> Our workforce will reflect the communities we serve (page 23). 	<ul style="list-style-type: none"> We achieved the National Equality Standard. Our Fresh Start programme reached 683 candidates, provided 5,500 hours of work experience and offered 37 permanent roles.
	12.3 12.5 12.6	<ul style="list-style-type: none"> We will create 25% less food waste than we did in 2018 and will continue to work towards 100% of surplus food going to those most in need (page 13). We will have a robust Responsible Sourcing Strategy in place and will report annually on progress towards our targets (page 36). By the end of 2025, we will use 25% less packaging, by weight (as a % of sales), than in 2019 and any remaining packaging will be made from material that is more easily recycled (page 29). 	<ul style="list-style-type: none"> We reduced the amount of food waste we created in our manufacturing operations by 10%. We published our Deforestation Policy. We have updated the design of all own brand packaging to feature an On Pack Recycling Label to make recycling communications easier to understand.
	13.2	<ul style="list-style-type: none"> We will be on our way to achieving carbon neutrality by using 100% renewable energy across all our operations (page 22). 	<ul style="list-style-type: none"> We hosted a Net Zero Workshop for our top 36 suppliers to focus on reducing Scope 3 emissions in our value chain. We have set near-term science-based emissions reduction targets which have been approved by the Science Based Targets initiative (SBTi).
	14.4	<ul style="list-style-type: none"> We will secure and maintain Tier 1 in the Business Benchmark on Farm Animal Welfare (BBFAW) (page 39). 	<ul style="list-style-type: none"> We increased the visibility of our approach to farm animal welfare by reporting more information to BBFAW.
	15.1	<ul style="list-style-type: none"> We will have a robust Responsible Sourcing Strategy in place and will report annually on progress towards our targets (page 36). 	<ul style="list-style-type: none"> For the first time we disclosed information to the Carbon Disclosure Project about any forest-risk commodities we source including palm oil, wood or paper, soy, cocoa and beef. 99.97% of pigs purchased had been provided with species-specific environmental enrichment.

* We opened our 30th Outlet shop in December 2022. Unfortunately, due to a Compulsory Purchase Order, we had to close an existing shop later that month leaving us with 29 at the end of the year

KEY MILESTONES

Our key achievements in 2022:

1. STRONGER, HEALTHIER COMMUNITIES



- Growing Greggs Breakfast Clubs:**
789 Breakfast Clubs fed **49,000** children every school day.
- Putting an end to food waste:**
We reduced the amount of food waste we created in our manufacturing operations by **10%** and increased food redistribution by a further **10%**.
- Supporting our communities:**
We opened our **30th** Greggs Outlet shop*.
- Helping our customers to make healthier choices:**
32% of our range in 2022 were 'Healthier Choice' products. **34%** of all new products we created were 'Healthier Choice' products.

2. SAFER PLANET



- Going carbon neutral:**
Following on from our Scope 3 analysis, we completed our Supplier Engagement Plan and we have set near-term science-based emissions reduction targets which have been approved by the **Science Based Targets initiative (SBTi)**.
- Building the shops of the future:**
We opened our first **Eco-Shop** and more than **250, (10.7%)** of our shops have Eco-Shop elements.
- Using less packaging**
We have updated the design of all own brand packaging to feature an **On Pack Recycling Label** to make recycling communications easier to understand**. We created a roadmap to move all own brand packaging to be more easily recycled.

HOW DID WE DO?

- Achieved**
- Partially achieved**
- Still to be achieved**

3. BETTER BUSINESS



- Embracing diversity:**
We achieved the **National Equality Standard**.
- Sourcing sustainably:**
We published our Deforestation Policy, mapped supplier compliance and plan to be **deforestation-free** by the end of 2025.
- Protecting animal welfare:**
We ensured all chicken stocking densities are no more than **38kg/m²**.

* We opened our 30th Outlet shop in December 2022. Unfortunately, due to a Compulsory Purchase Order, we had to close an existing shop later that month leaving us with 29 at the end of the year

** Packaging featuring an On Pack Recycling Label was rolled out to shops from early 2023, once we worked through existing back stock to avoid creating any packaging waste

TARGETS AND PRIORITIES

By the end of 2023:

1. STRONGER, HEALTHIER COMMUNITIES



Growing Greggs Breakfast Clubs:

We will have **850 Breakfast Clubs** feeding **52,000** children every school day.

Putting an end to food waste:

We will reduce the amount of food waste we create in our manufacturing operations by a **further 10%** and increase food redistribution by a **further 10%**.

Supporting our communities:

We will have **38 Greggs Outlet** shops.

Helping our customers to make healthier choices:

We will maintain our ranging principles to ensure **30%** of our range is 'Healthier Choices'.

2. SAFER PLANET



Going carbon neutral:

At least **98%** of our electricity usage will come from renewable sources and **30%** of the gas we use across our operations will be from renewable sources.

Building the shops of the future:

400 shops (17% of our estate) will feature **Eco-Shop** elements.

Using less packaging

All of our own brand packaging will be '**more easily recycled**'.

3. BETTER BUSINESS



Embracing diversity:

We will report our **ethnicity pay gap*** and provide enhanced support for colleagues from an ethnic minority background to progress their career.

Sourcing sustainably:

We will complete the **mapping of soy** in animal feed to determine **sustainability status**.

Protecting animal welfare:

We will further improve our chicken welfare standards, with 50% at less than or equal to **30kg/m²** and the remainder at less than or equal to **38kg/m²**. All pigs will be free from sow stalls.**

* In line with our business reporting schedule and to be included in our 2023 Annual Report, published April 2024

** Not pepperoni (sow stall-free option not currently available)

STRONGER, HEALTHIER COMMUNITIES
GROWING GREGGS BREAKFAST CLUBS

COMMITMENT 1:

1,000

school Breakfast Clubs, providing some 70,000 meals
each school day, will be supported by the end of 2025.

MORE 
BREAKFASTS
SERVED

RELATED UN SUSTAINABLE
DEVELOPMENT GOALS:

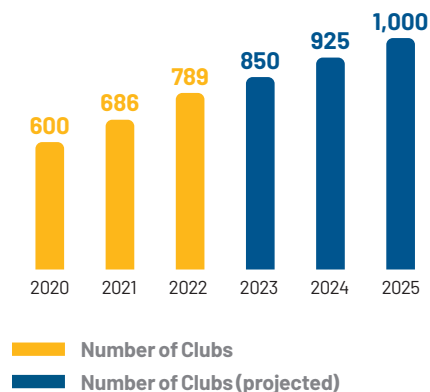


Greggs Breakfast Clubs have been running since 1999, ensuring a healthy start for thousands of children. Working with Greggs Foundation and its partners, we provide the fuel that allows children to have a more productive day in the classroom.

At the end of 2022, we had 789 Clubs up and running which, between them, serve a free breakfast to 49,000 children every school day. By the end of 2025, we hope to be reaching 70,000 children.

49k

children fed every school day by Greggs Foundation's 789 Greggs Breakfast Clubs by the end of 2022



Easing hardship

Breakfast Clubs help adults too: working parents can get to work on time knowing that their children are safe and well at school.

In addition, being part of the Greggs Foundation Breakfast Club network means a school can access the Greggs Foundation Hardship Programme, which provides individuals and families with food and clothing vouchers, as well as access to home appliances such as ovens, fridge-freezers and washing machines. In 2022, Greggs Foundation gave out more than £1 million in hardship grants.

In response to the energy crisis, the Greggs Foundation is now expanding what the grants cover to include energy vouchers and smaller, more energy-efficient cooking appliances such as slow cookers and air fryers.

Participating schools can also apply for a grant to ensure that the children who attend their Breakfast Club have the same access to food during the school holidays too.

It takes a village

Each Breakfast Club requires around £3,000 to set up and run for a year. The funding is provided in two ways: by partner organisations and by the Greggs Foundation. In addition to providing financial support to Greggs Foundation, Greggs donates bread to the school from our nearest shop. In 2022, our local shops donated more than 438,000 loaves of fresh bread to the schools in their area.

Our partners

Our fantastic partners support almost half of all Greggs Breakfast Clubs. Many of these are businesses that we work with (our service providers and suppliers) but a huge number are organisations and individuals – large and small – that want to do something meaningful in their local community.



CASE STUDY

KOBI NAZRUL SCHOOL, TOWER HAMLETS

Around half of all children in Tower Hamlets are living in poverty – the highest rate in London. For over ten years, we have provided a Greggs Breakfast Club at Kobi Nazrul School, a school in the west of the borough which is a central focus for the local community.

With our support, the school ensures that children have access to food at the beginning of every day and can offer families in need further support through the hardship fund.

+10

number of years we have supported a Breakfast Club at Kobi Nazrul School



CASE STUDY

AGENTS OF CHANGE

The current cost-of-living crisis means that so many more families are living with the stress of food insecurity. In November 2022, we announced a new partnership with Rethink Food, a charity committed to equipping young people with the knowledge and practical skills they need to live a more food-secure life.

Together, we have created a fun and engaging new programme for Greggs Breakfast Clubs, designed to help children learn about the importance of physical activity and healthy diets, as well as build their understanding of sustainability.

The hands-on education programme – Agents of Change – invites secret agents to accept missions which will show them how to be responsible, respectful and active citizens who contribute positively to society.

It is aimed at children in Years 2 and 3 (aged six to eight) and has been developed in line with the latest Ofsted framework. Over the academic year, the children will cover 24 modules, all supported by an online platform hosting interactive videos and downloadable resources.

To enhance the learning experience, every child who participates in the programme receives a free school backpack, sticker sheets and ‘Secret Agent’ materials. They will also be given the opportunity to present their work in an end-of-year showcase.

We know just how important high-quality food education is and we hope that Agents of Change will contribute to a new cycle of learning in the many communities that we support.



24

Agents of Change modules will be covered over the academic year through interactive videos and downloads

The Greggs Foundation has 137 partners sponsoring 365 Clubs. In 2022, we received £471,000 in financial donations from them, some of which went directly to the hardship fund for schools to share with families in need.

Our partners provide more than just financial support. Many choose to have direct engagement with the school they support by attending careers workshops, supporting Science, Technology, Engineering, and Mathematics (STEM) projects, running competitions, or by giving further donations for wider school events and activities.

The Greggs Foundation

The Greggs Foundation covers the cost of the rest of our Breakfast Clubs. This money comes, in part, from donations made by our customers: anyone choosing to make a 25 pence donation at our tills is directly helping Greggs Breakfast Clubs. We also pass on five pence for every Jammy Heart, children's sandwich or Ribena drink sold. In 2022, our customers donated over £177,000 to Breakfast Clubs via our stores. Greggs also gives 1% of our pre-tax profits to the Greggs Foundation.

Our colleagues are determined fundraisers and 158 of our Clubs are supported entirely by their fundraising efforts – either in-store or through charity days held at our factories and distribution sites. Our North Lakes Bakery in Cumbria raised over £9,500 in 2022 through a series of fun activities and events that included sponsored silences, a casino night and raffles.

Another way our people raise funds for Breakfast Clubs is through payroll giving, where you can choose to give a percentage of your pre-tax wages directly to a charity. Last year, our people donated over £22,000 of their own money to Greggs Foundation in this way.

STRONGER, HEALTHIER COMMUNITIES CONTINUED
PUTTING AN END TO FOOD WASTE



COMMITMENT 2:

25%

By the end of 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.

MORE FOOD DONATED



RELATED UN SUSTAINABLE
DEVELOPMENT GOALS:



We achieved our food waste reduction target in our manufacturing sites this year but are still working hard on cutting waste in our shops. Well over a third of surplus food from our shops is given a second chance via our charity partnerships and reduced price sales channels.



10%

food waste reduction in our factories and we redistributed 10% more unsold food in 2022

Cutting food waste in our factories

We are very proud of the success we have had in reducing food waste in our production sites.

In 2018 – our baseline year – food waste in our production sites represented about 0.3% of sales. Our target is to reduce that by 25% and in 2022 we achieved a further 10% reduction, wasting only 0.25%. We are now working hard to reduce that level further as we grow.

We reduced food waste in our factories by identifying where it was being created and then making targeted interventions to manage processes making them more efficient. One example is our Gosforth site, who have increased their knowledge of a new doughnut production line. Whilst improving their procedures, the team has managed to reduce several aspects of ingredient and product waste: resulting in a 19 percentage point improvement from 2019 to 2022.

As they continually improve their understanding of equipment capabilities and software parameters, this allows the teams to improve focus and change ways of working, to reduce waste further.

As hard as we try, some waste is inevitable. We keep food waste out of landfill by finding alternative uses for it, such as animal feed or anaerobic digestion.

Reducing food waste in our shops

It is no mean feat to run a 'daily fresh' food shop while trying to reduce food waste. Our dedicated teams do a remarkable job of managing stock levels in shops, helping to adapt and manage the process, even during busy periods. They are a vital component in making a genuine change nationwide.

Computers play a key role too: our state-of-the-art forecasting and ordering systems have made us much better

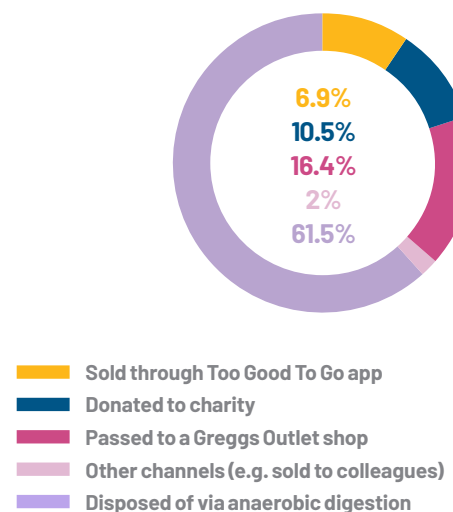
at anticipating what our customers will want, so we create less surplus.

Giving unsold food a second chance

Whatever we haven't sold by closing time gets taken off our shelves. At this point, we have three chances to give it a second life: we sell it at a discount; donate it to charities; or pass it to one of our Outlet shops to sell the next day.

Before we close our shops in the evening, we use the Too Good To Go app to offer our customers 'Magic Bags' of unsold food. These contain a mix of food products worth around £8 which we sell for just £2.59, offering an incredible bargain for our customers. In 2022, over 900 of our shops used the app and we have sold over 1.8 million Magic Bags since we launched the partnership in 2020.

WE SEND ZERO FOOD WASTE TO LANDFILL: DESTINATION OF SURPLUS FOOD WASTE FROM OUR SHOPS, 2022

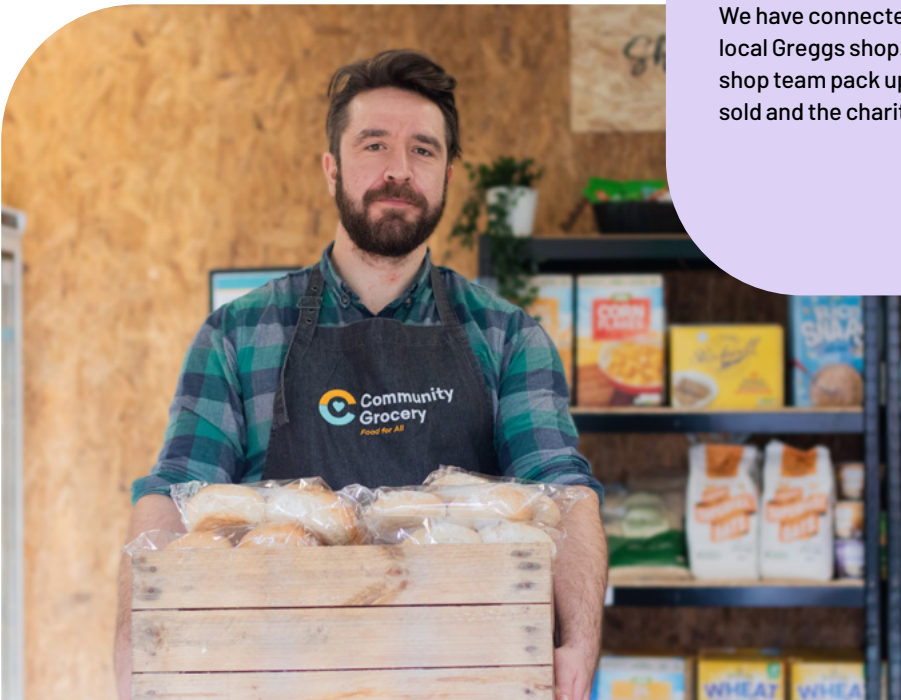


STRONGER, HEALTHIER COMMUNITIES CONTINUED
PUTTING AN END TO FOOD WASTE CONTINUED

We support a network of 1,077 local charities, which take our surplus food and pass it on to people in need. In 2022, we gave away more than 1,165 tonnes of food – 11% more than in 2021.

We also passed around 1,810 tonnes of our food to our national network of Greggs Outlet shops which sell it at a discount the next day – see Commitment 3 to learn more about these. Again, this was more than double the volume than in the previous year, showing that we are making continuous progress towards our target.

We can't always pass on every surplus product via one of these three channels. Whatever is left is returned to our factories and sent to an anaerobic digester, which turns it into biogas and biofertiliser. In this way, we divert 100% of unsold food from landfill.



CASE STUDY

PROUD TO SUPPORT THE COMMUNITY GROCERY

One of the local charities we support is the Community Grocery, a network of over 20 stores across the UK that provide heavily discounted food, household items and sanitary goods. Community Groceries are run by The Message Trust in partnership with local churches. Its members – around 40,000 people – can visit its shops multiple times each week and fill a basket for just £4. They typically save around £20 at every visit.

Members also have access to a range of services including employment clubs, debt advice, mental wellbeing courses and cookery courses – all for free. We have connected Community Groceries with their local Greggs shop. At the end of each day's trading, our shop team pack up whatever fresh food has not been sold and the charity can collect it for its network.

Sam Hawthorne, Enterprise Director at national charity The Message Trust who set up the Community Grocery network, says:

“Demand for our service is soaring due to the cost-of-living crisis and the items from Greggs always go down really well with our members – it’s particularly nice to include freshly baked ‘treats’ such as doughnuts, which we would struggle to source through our other routes. All the Greggs store managers are so helpful. Thank you to everyone at Greggs for your partnership, and for helping us to support families who are finding it increasingly hard to put food on the table.”

20

Community Grocery hubs



STRONGER, HEALTHIER COMMUNITIES CONTINUED
SUPPORTING OUR COMMUNITIES

LOCAL COMMUNITIES SERVED

COMMITMENT 3:

50

Greggs Outlet shops providing affordable food in areas of social deprivation, with a share of profits given to local community organisations, by the end of 2025.

RELATED UN SUSTAINABLE
DEVELOPMENT GOALS:



STRONGER, HEALTHIER COMMUNITIES CONTINUED
SUPPORTING OUR COMMUNITIES CONTINUED

We opened ten new Outlet shops in 2022, offering big reductions on day-old products to people managing a tight budget.

Rising energy and food prices are putting real pressure on every household's budget, but the poorest families are being hit the hardest. That's why we open Greggs Outlet shops in areas where we know social deprivation is high.

30th

Greggs Outlet shop opened



Redistributing food

Greggs is a daily fresh business, meaning that, come closing time, any food that hasn't been sold is removed from our shelves. We send as much of this food as we can to our Outlet shops where it is sold the next day at a huge discount – with the majority of items sold at half the full retail price.

In an average week in 2022, we redistributed over 35,000 sandwiches, 30,000 savoury products and 33,000 sweet treats.

Cutting food waste

Not only do our Outlet shops help people on a tight budget, they also allow us to reduce food waste. Commitment 2 covers this in more depth.

The new Outlets mean that every one of our food manufacturing sites now has an Outlet shop nearby, allowing us to redistribute surplus food from our production sites, as well as unsold food from our shops.

In 2022, around 16.4% of our surplus and unsold food was given a second chance in an Outlet shop.

Greggs Outlets help to fund community hubs

Our Greggs Outlets generate a profit, and we choose to donate a portion of that profit via the Greggs Foundation, putting money back into local community organisations that are working to tackle food poverty in areas of greatest need.

Every time we open a new Outlet shop, we find a local partner to support. In 2022, we donated £417,000 – up from £240,000 in 2021. This was shared between organisations including soup kitchens, food banks and community groups. Each community hub is making a real impact in the neighbourhood of one of our Outlet shops.

Greggs Foundation provides this funding as a grant which can be used to cover a range of costs, including staff salaries and the running costs of either the whole organisation or a specific project.



CASE STUDY

OFFERING HELP TO HOMELESS PEOPLE IN GLASGOW

In Glasgow, we donated £20,000 of the profits from our Outlet shops to support the Marie Trust, a charity that helps people who are homeless – or at risk of becoming so.

This incredible organisation has been running since 2009 and has a clear understanding of how best to help. Homelessness, poverty and social exclusion are often the result of complex and challenging needs, and the Marie Trust specialises in helping people recover from trauma, offending, street homelessness, addiction and mental health problems, so they can rebuild their lives.

The Marie Trust's Chief Officer, Frances McKinlay, said:

"The grant we received through the Greggs Foundation Community Hubs programme allowed us to maintain services while undergoing a much-needed renovation project to broaden our reach even further. We couldn't be more thankful for the funding and what it supported us to achieve."

Their crisis intervention team supported 411 people in 2022, offering immediate housing and benefit representation, food and fuel assistance, and education and volunteering services that aim to empower individuals and help them find routes out of homelessness. On average the organisation provides psychotherapy counselling to 60–70 people each year, offering long-term commitment to people experiencing complex trauma. Its education services provide a direct route into further education, providing, on average, five accredited courses each week, with some students progressing to higher and degree-level courses.

The Marie Trust places great value on respecting the dignity and privacy of the people who use its services and aims to help them improve their quality of life in a resourceful, fulfilling and sustainable manner. As one social worker in Glasgow put it: "When people get to the Marie Trust, they feel they can breathe. Everywhere they go they are subject to huge scrutiny, but not there. It is somewhere that they can feel safe and valued; things a lot of people take for granted."

£20,000

of our Outlet shop profits donated to support the Marie Trust in Glasgow



STRONGER, HEALTHIER COMMUNITIES CONTINUED
HELPING OUR CUSTOMERS TO MAKE HEALTHIER CHOICES



COMMITMENT 4:

30%

of the items on our shelves will be healthier
choices by the end of 2025 and we will attract
customers through education and promotions.

MAKING HEALTHIER CHOICES



RELATED UN SUSTAINABLE
DEVELOPMENT GOALS:



STRONGER, HEALTHIER COMMUNITIES CONTINUED
HELPING OUR CUSTOMERS TO MAKE HEALTHIER CHOICES CONTINUED

We are on a mission to help our customers to make healthier choices. This means improving the nutritional value of firm favourites, adding healthier new products and making it as easy as possible for people to make an informed choice.

As well as soups and sandwiches, our range includes salad boxes, fruit pots and porridge – and everything tastes delicious.

32%

of the products on our shelves in 2022 were a healthier choice



Offering healthier choices

We have worked hard to provide our customers with well-priced, tempting healthier options and have made them as widely accessible as our core range. Today, someone walking in to one of our shops will find that 32% of the products on our shelves score no reds in the Food Standards Agency traffic light system for fat, salt and sugar, and have fewer than 400 calories.

We use this traffic light system to help people make informed choices about their diet. As well as on our online menu, traffic lights can also be found on the shelf edge ticket or product packaging, depending on the product.

It's not just about avoiding fat, salt and sugar, though. Our customers are increasingly looking for information about sources of fibre and protein. In 2022, we added a 'source of protein' message to 30 of our products, including salads, pasta salads and sandwiches to help people choose what's right for them.

Expanding our vegan range

As more and more people opt for a flexitarian diet, we continue to grow our range of meat-free products. We tested 12 new vegan products in 2022 and chose to introduce six of them into all our shops, including hot and cold sandwiches, a vegan salad and our first vegan option on the breakfast menu – the Vegan Sausage Breakfast Sandwich. This means we now have a vegan option available at every mealtime.

In 2022, we have increased our vegan options by 30% and our vegan range of food products accounted for 7.6% of total sales.



Today, someone walking into one of our shops will find that 32% of the products on our shelves score no reds in the Food Standards Agency traffic light system for fat, salt and sugar, and have fewer than 400 calories.

STRONGER, HEALTHIER COMMUNITIES CONTINUED
HELPING OUR CUSTOMERS TO MAKE HEALTHIER CHOICES CONTINUED

Our pledge to offer more veg

We purchased 12% more vegetables in 2021-22 than we did in 2018-19, showing that we are committed to helping customers looking to eat their five-a-day.

As long-standing signatories of the 'Peas Please' pledge, we have committed to making vegetables a hero in our products where we can. Over 40% of our cold sandwiches include at least half a portion of veg (40g), and every soup and leaf salad contains at least one portion (80g).

In 2022, we introduced a new range of eat hot or cold salad meal boxes into our Healthier Choices range, using international flavours and ingredients, such as Sweet Potato Bhaji and Smoky Cajun Rice. These are now part of our great value Lunch Deal.

We also upgraded our fruit pots, introducing the popular flavours of melon and mango, and we invite people to add them to a Lunch Deal.

The team behind the Peas Please pledge – The Food Foundation – commended our efforts and called us a leader in the quick-service restaurant sector in their State of the Nation Report.



CASE STUDY

REFORMULATION

We are continually improving the nutritional value of our products without altering their great taste and quality. We are working towards the salt and calorie targets set by the UK government and are on track to have 92% of our products within their recommended limits by the end of 2025.

Small changes can make an enormous difference. The reformulation work we did on 21 lines in 2022 means that our customers will eat almost a billion fewer calories and more than 24 tonnes less salt over a year.

In 2023, we are putting another 18 products in the spotlight with a view to meeting UK government targets on salt and calories.

24

**tonnes less salt from
reformulation work in 2022**

MAKING OUR PLANET SAFER
NET ZERO CARBON

LOWER CARBON FUTURE

COMMITMENT 5:

100%

We will be on our way to achieving carbon neutrality by using 100% renewable energy across all of our operations by the end of 2025.

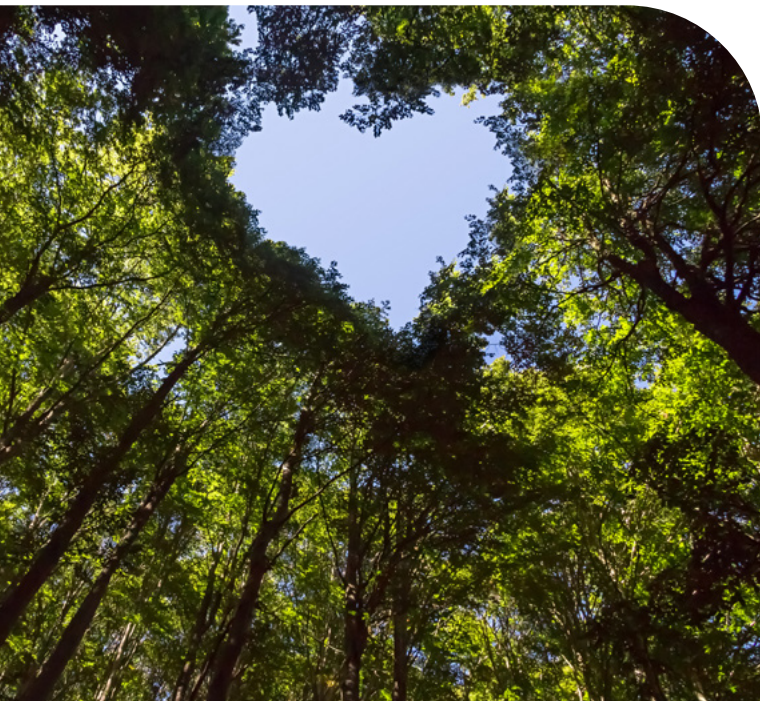
RELATED UN SUSTAINABLE
DEVELOPMENT GOALS:



Our ambition is for Greggs to be a net zero business by 2040. We will achieve this by choosing renewable energy, investing in improving efficiency, and taking our suppliers with us on our journey to a lower carbon future.

36

We've set science-based targets and held a Net Zero Workshop for 36 core suppliers



Setting targets

During 2022, our Net Zero Taskforce worked with the Carbon Trust to set near-term science-based emissions reductions targets. These have been approved by the Science Based Target initiative (SBTi), and they contribute to the goals of the Paris Agreement – limiting global warming to 1.5°C above pre-industrial levels.

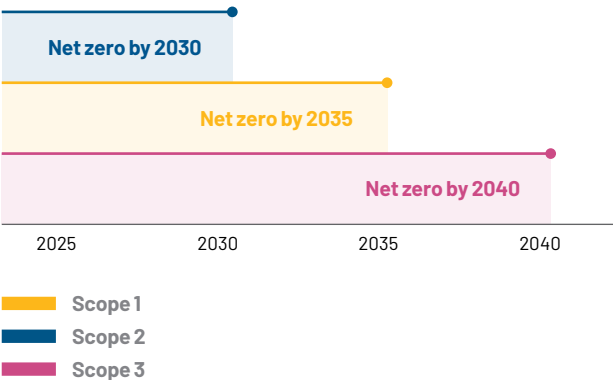
These targets are:

- To reduce absolute Scope 1 and 2 Greenhouse Gas (GHG) emissions by 46.2% by 2030 from a 2019 base year; and
- To reduce absolute Scope 3 GHG emissions from purchased goods and services by 46.2% within the same timeframe.

We now have a clearly defined pathway to our net zero goal. The UK government is aiming for the country to be net zero by 2050 but we plan to be there by 2040 for both direct and indirect emissions.

Net zero emissions roadmap

The below chart shows our net zero target dates for all three scopes. These are in line with the British Retail Consortium Climate Roadmap.



Climate change is a risk for Greggs, as it is for any business that uses energy, relies on agriculture or has real estate. It can also be an opportunity – the success of our Vegan Sausage Roll showed us how eager consumers are to make choices that are better for the planet. We are working with external experts to identify these risks and opportunities and are using this information to shape our long-term transition plan.

Sharing our progress

We publish our carbon footprint in our Annual Report each year and participate in the Carbon Disclosure Project (CDP) too. In 2022, we improved our score from B- to B.

In 2022, for the first time, we also completed the CDP Forests disclosure, sharing information on our use of soy, palm oil, beef and cocoa. Commitment 9 explains the actions we are taking to reduce the risk of contributing to deforestation.

Working together

Our journey to net zero will involve our leadership team, our people and our suppliers. We want to make sure everyone understands the likely impacts of climate change and knows what they can do – both at work and at home – to reduce carbon emissions.

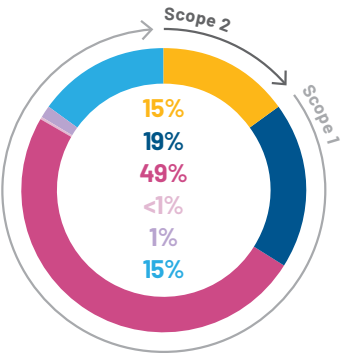
In April, our Sustainability Team organised a series of 'Climate Reality' sessions for our leaders. Led by an external expert, the agenda for the session was designed to show the likely impacts of unchecked climate change, and the key sources of emissions at Greggs. The session reconfirmed that our net zero plan was the right thing to do and galvanised our team to increase the pace of change.

We also included climate reality as a focus topic for 'Learning at Work' week in May 2022, to help all our colleagues understand its importance and urgency.

MAKING OUR PLANET SAFER CONTINUED
NET ZERO CARBON CONTINUED

Reducing our Scope 1 and 2 carbon footprint

Percentage of our Scope 1 and Scope 2 footprint



Tonnes of carbon dioxide equivalent (tCO₂e)

7,109	Electricity
8,893	Gas
23,212	Diesel (including gas oil)
42	LPG
666	Petrol
6,999	Refrigeration

Electricity

Our Scope 2 emissions are the indirect greenhouse gas emissions from the electricity we buy. Where we control the bills, we only buy renewable electricity. Around 4% of our shops are in serviced locations and we have asked these landlords for more information about the electricity they purchase so we can request that they make the switch to green electricity too.

Gas

The infrastructure for renewable gas is still developing in the UK, so it is not as easy to make the switch to green gas. That's why we are trying to reduce our reliance on gas: when we refit a shop, or build a new one, we now choose electric systems for heating and hot water.

We have committed to switching a third of our gas to biogas in 2023. It is created in anaerobic digestion plants, which are fuelled with waste organic material. By the end of 2025, whatever gas we still use will be 100% biogas.

Petrol and diesel for our fleet

By 2035, we want to have a net zero fleet, which means we will only use vehicles powered by renewable fuels like green electricity and hydrogen. We are always watching the market for innovation and new opportunities, and in the meantime our focus remains on improving efficiency.

In 2021, we trialled and purchased our first double-deck trailers and were so impressed with the results that we bought nine more in 2022. We use trailers on our articulated vehicles to transport products across the country, and the double-deck version allows us to carry 56% more goods per load, meaning we need to make fewer journeys. This reduces our use of fuel and, consequently, has a positive impact on our Scope 1 footprint.

By the end of Q1 2023, we will have moved our entire primary fleet to double-deck trailers.

Refrigerant gases

Refrigerant gases can have a much higher Global Warming Potential (GWP) than carbon dioxide – sometimes thousands of times more. That's why, even though we use only a small amount in our refrigeration and air conditioning systems, they represent around 15% of our direct footprint. As we replace old equipment or refit shops, we use low impact refrigerant gas as standard.

For major refrigeration plants – for instance, in our factories – we use very low carbon impact gases such as ammonia.



MAKING OUR PLANET SAFER CONTINUED NET ZERO CARBON CONTINUED

Scope 3: Getting our suppliers on board

Our work with the Carbon Trust in 2021 revealed that more than 90% of our overall carbon footprint occurs in our value chain, where we have influence but no direct control. To drive reductions on our Scope 3 carbon footprint, we need to make the most of that influence.

In 2022, we hosted online net zero workshops for a group of our top suppliers. These suppliers were either our largest by volume or represented the most carbon intensive sectors – particularly meat and dairy. The products that we buy from just these 36 suppliers account for more than half of our total carbon footprint.

“As we work towards net zero, we recognise that we must ensure that our own operations are as efficient as they can be, while collaborating throughout the supply chain to ensure that we are embedding responsible and environmentally sustainable practices. As a part of the Greggs Net Zero Workshop, we are able to exchange best practice, ideas and learnings with others as we continue to make progress towards our common goals.”

Rob Hutchison, Managing Director, Müller Milk and Ingredients

All the suppliers at the workshop have agreed to collaborate on reducing carbon emissions, with over three-quarters planning to set science-based targets. Already, 28% have committed to be net zero.

Most of our remaining Scope 3 carbon footprint comes from the other suppliers that we do business with. We are now upgrading our procurement system to improve transparency on the carbon impact of the goods we buy, which will allow us to use carbon and net zero ambition as one of our criteria to select our ingredients, alongside quality and price.



CASE STUDY

GOVERNING OUR NET ZERO PROGRAMME

During 2022, we reviewed our governance framework and the composition of our Net Zero Steering Group to ensure it has the highest level of support. This group will drive our carbon reduction programme and includes members of our executive team alongside other key senior leaders from across the organisation.

In response to the UK government's launch of the Transition Plan Taskforce in April 2022, we have also set up a second team with the remit of leading on climate scenario planning and the development of our climate transition plan. The recommendations made by this group will be passed to the Net Zero Steering Group. The group includes senior leaders from our Sustainability, Business Assurance and Finance teams.



COMMITMENT 6:

25%

of our shops will feature elements
from our Eco-Shop 'shop of the future'
design by the end of 2025.

ECO-
FRIENDLY
FUTURE



RELATED UN SUSTAINABLE
DEVELOPMENT GOALS:





We are delighted to have opened our Eco-Shop in Great Billing, Northampton. It contains 20 different green initiatives which have helped to cut energy use by a fifth, compared with our standard shops.

The Eco-Shop acts as a testbed for new ideas. Four of the new features from the Northampton shop have been added to over 250 other shops this year, putting us on track to feature green initiatives in a quarter of all our shops by the end of 2025.

250+

we opened our Eco-Shop and added new green initiatives to over 250 shops

We want to build the shops of the future. Our new Eco-Shop allows us to test innovative solutions and initiatives that will deliver real progress in reducing the environmental impact of our operations. The new shop in Northampton uses less energy and water, and creates less waste – both in how we build and fit out the shop, and how we run it after it is open.

We turned to external experts to help us get to the best ideas quickly: Innovation Gateway helped us to decide on the right technologies for our shops – fridges, ovens, air conditioning systems etc. – while Quantum4 were on hand to help us think about the sustainability of the shop fit-out.

Each electrical circuit in the new Eco-Shop is fitted with a meter, which allows us to see how equipment performs over time. If they deliver the results we expect, these items will become the Greggs standard, and will be added to all our shops.

Building the best possible shop

Although most of the energy demand of our shops comes from the equipment we put into them, it is important to consider the environmental impact of every fitting and fixture too.

For instance, the vinyl floor of our new shops contains 20% recycled material and is fully recyclable so, when we come to refresh the décor in around eight years' time, we will be able to keep it in a circular economy model.

Even the customer toilets were given serious attention. Instead of relying on a cistern, the flush mixes air and water at high pressure which reduces the amount of water that each flush requires.

Testing out energy efficient equipment

Our ovens are the most energy-hungry piece of equipment in our shops. We are testing a new brand of eco-oven, which uses up to 10% less energy than other models while cooking products faster – saving us time as well as energy. To prevent energy wastage, we have also introduced a control panel that switches our ovens off if they have not been used for 20 minutes.

Our new energy-efficient dishwasher uses half the water of the current model fitted in most Greggs shops, and can wash more utensils per load. Through the clever use of steam, it needs 60% less chemicals too.



MAKING OUR PLANET SAFER CONTINUED
BUILDING THE SHOPS OF THE FUTURE CONTINUED

Getting the heating and lighting right

Heating, cooling and lighting accounts for around a fifth of the total energy bill in a typical shop, so it is essential that we do these as efficiently as possible.

In our new Eco-Shop, we only use LED lighting, and we are testing double-glazed solar control glass in the windows.

We are also experimenting with phase change materials, which move between being liquid and solid depending on the temperature. Effectively, these allow us to 'soak up' heat when there is too much of it, and then release it again when the shop cools down – all without using electricity. This allows us to maintain a consistent temperature in the shop while reducing the pressure on our heating and air conditioning system.

Getting the basics right

A key part of making our operations more efficient is automating as much as possible – such as our air conditioning systems – and helping our colleagues to build good habits. In 2022, we trained our colleagues when to switch equipment on or off to help save energy.

We have also improved our back-of-house recycling processes to make it easier to compact our rubbish. We now use colour-coded refuse bags in over 700 shops fitted with Unisan bins that make it easier to get things into the correct waste stream.

Our next step is to introduce recycling centres for the customer area of our shops. We are currently testing a solution in our Eco-Shop, and hope to introduce this more widely in future.

CASE STUDY

KEEPING IT COOL

Purchasing the most energy-efficient technology available is central to our approach: it is our mission to use A-rated appliances throughout our shops. However, when the European Commission launched their Ecodesign label in 2021, they warned that it wasn't possible to buy a refrigerated display cabinet that scored anything higher than a C – the technology simply did not exist. We chose to work with refrigeration manufacturers Pastorfrigor, who have created the Genova Overview – the first display

refrigeration cabinet in the world to achieve Ecodesign Energy Class A. In 2022, we purchased 14 of these cabinets – and were proud to be the first company in the UK to use them in the food-on-the-go market. Each one has LED lights and doors to help retain the cold air, and uses a natural refrigerant gas with a low Global Warming Potential of just three. The fridge is twice as efficient as our standard model, halving the energy demand.



14

Genova Overview display units installed in 2022



MAKING OUR PLANET SAFER CONTINUED
USING LESS PACKAGING

MORE SUSTAINABLE PACKAGING

COMMITMENT 7:

25%

By the end of 2025, we will use 25% less packaging, by weight (as a percentage of sales), than in 2019 and any remaining packaging will be made from material that is more easily recycled.

RELATED UN SUSTAINABLE
DEVELOPMENT GOALS:



MAKING OUR PLANET SAFER CONTINUED USING LESS PACKAGING CONTINUED

Packaging plays an essential role in our operations: it keeps products fresh and safe as they move through our logistics chain and makes it easier for customers to take them out of our shops.

We know there are opportunities to be smarter with our packaging. Our aim is to make sure that we only use packaging that is essential and made from the most sustainable materials.

14

tonnes of cardboard will be saved from 2023, as we introduce thinner lids to two-packs of Glazed Doughnuts, Yum Yums and Belgian Buns.

Removing unnecessary packaging

Having successfully tackled and removed single-use plastics from our shops, we then looked for new opportunities to remove unnecessary items from our processes and products.

In 2022, we removed the thin plastic wrap on boxes of tea and eliminated the cardboard that we were using to transport our till rolls; this will make the till rolls lighter to transport and remove the use of around 492Kgs of cardboard each year. We also reviewed how we package the products we retail through Iceland Foods Ltd and, in 2023, will test whether we can remove the plastic insert tray from bakes and Sausage Rolls – all without any impact on our ability to move these items around, or our customers' ability to take them safely home.

Using less of it

Where we need to keep an item properly packaged, we are exploring where we can use less material to do the same job.



We do this by testing whether a thinner version of a material can deliver the same result. For instance, we use stretch-wrap film to keep our products safely stacked on pallets but found we could use a thinner film without an impact on performance. We plan to introduce this change across our business in the second half of 2023, and we will move from a wrap that was 13 microns thick to a new film that is nine microns thick.

Another example is the lid of our two-packs of Glazed Doughnuts, Yum Yums and Belgian Buns. We ran a successful trial showing that we can reduce the thickness of the cardboard by 10% without any impact. When these lids are introduced in 2023, they will help us to use 14 tonnes less cardboard each year. Next, we are exploring whether we can do the same for different shapes and sizes of box, starting with four-packs of sweet treats and our muffin two-pack.

Using more sustainable materials

Another way to lessen the environmental impact of essential packaging is to look at what it is made of.

All the paper and cardboard we use for our own brand packaging now comes from FSC or PEFC accredited sustainable sources. Having successfully tested an alternative baking paper that can be more easily recycled, we are now rolling this out to around 120 shops for a fuller trial. If successful, we will introduce this in all our shops, diverting around 80 tonnes of baking paper from disposal each year.

We set ourselves a target of only using plastics which contain at least 50% recycled material by the end of 2025 where possible (always bearing in mind that some direct food contact plastics do not have a viable, certified alternative that contains recycled material). We have already achieved this for our own-brand drinks bottles and pasta salad pots. During the second half of 2022, we worked with the supplier

MAKING OUR PLANET SAFER CONTINUED USING LESS PACKAGING CONTINUED

of our reusable blue plastic trays to adjust the mix and they now contain 30% recycled content (see case study). As we grow, we will need more and more trays. We estimate we will use 120 fewer tonnes of virgin plastic in 2023 because of the switch.

Easier to transport

The final piece of the packaging puzzle is thinking about how we can use it to make our logistics more efficient. The more products we can fit in each lorry, the fewer lorries we send out, which saves on fuel and therefore helps reduce our carbon footprint.

We plan to introduce a new transit tray that will allow us to pack almost double the number of jam doughnuts into our blue reusable trays than now, meaning we will need fewer truck journeys for the same number of doughnuts.

Helping our customers to recycle

We know it is our customers who end up with our product packaging, so we want to make it as easy as possible for them to recycle it.

Clear plastic is welcomed by more local authority kerbside recycling schemes than black plastic, so we have switched the colour of the plastic trays we use for our Iceland range.

We are a member of the On-Pack Recycling Label scheme, which created the simple, consistent recycling symbols that most UK consumers are familiar with. We have now put the relevant symbol on all of our printed own label customer-facing packaging, helping our customers to put their packaging into the right bin and increasing the chance of it being recycled.

CASE STUDY

RETURNABLE BLUE TRAYS

For over 25 years, we have used robust blue plastic trays to move products from our manufacturing sites to our shops. Once emptied, these trays are stacked up and backhauled to our factories where they are washed and reused, in a never-ending cycle.

In 2022, we approached our supplier to see if they could include some recycled content in these trays. They put their chemists on the case and discovered that they could include granulated industrial grade waste plastic material without any impact on the trays' performance.

They sent us 90 trays containing 30% recycled material, which we thoroughly stress tested: we put them through our automatic-packing machine, froze them to -30°C and stacked them on pallets until we were sure that they were just as strong as our usual trays; we could tell no difference.

By replacing some of the virgin material with recycled plastic, the carbon footprint of each tray is 26% lower. In 2023, we will buy 250,000 of these new trays, avoiding the use of 120 tonnes of virgin plastic and cutting CO₂ emissions by 300 tonnes.

We now want to see how far we can go and will begin tests on a tray made from 100% recycled content during 2023.

300

tonnes of CO₂ emissions will
be cut by the new trays



BEING A BETTER BUSINESS
EMBRACING DIVERSITY



COMMITMENT 8:

2025

By the end of 2025, our workforce
will reflect the communities we serve.



EMBRACING DIVERSITY

RELATED UN SUSTAINABLE
DEVELOPMENT GOALS:



Whatever their background, preferences or beliefs, we want all our colleagues to feel welcome and able to be themselves at work.

We know that our diverse workforce makes Greggs a better business: by reflecting the communities we serve, our shops feel more welcoming to our customers.

We achieved the National Equality Standard in 2022



National Equality Standard

In spring 2022, external consultants EY confirmed that we had achieved the National Equality Standard, the UK's leading diversity, equity and inclusion standard. It was developed in partnership with the UK government and the CBI in collaboration with public and private sector organisations as an assessment tool to make sure that the legal requirements of the Equality Act are properly addressed.

By going through this robust process, we have made sure that our approach is aligned with industry best practice – and have identified where we can make further improvements.

Led from the top

The Greggs leadership team is 100% committed to promoting diversity and inclusion, and are passionate advocates for driving meaningful change.

Each of our diversity networks has an Operating Board sponsor, and in 2022 we set up a Diversity and Inclusion Steering Group, made up of senior managers from different functions across our business and chaired by our Commercial Director. This group helps to put in place strategies that will drive change as well as advocate for diversity and inclusion across the business, ensuring we are supporting all our people through their employment journey at Greggs.

Supporting each other

Our three networks – ethnicity, disability and LGBTQ+, as well as our Diversity and Inclusion Steering Group – allow our colleagues to discuss challenges, share experiences and make proposals for how Greggs can better meet their needs. All of our networks have Operating Board-level sponsors.

Ethnicity

In 2022, the ethnicity network supported the roll-out of the zero tolerance poster campaign. Developed during 2021, the campaign sets out our position on harassment and inappropriate behaviour from our customers. The network has also supported the design and development of colleague and line manager guidance to support this campaign which will be launched during 2023.

Disability

This network continues to raise awareness of the impact of disability and ill-health and suggest ways we can improve. With its invaluable insight and feedback, we have now developed four neurodiversity guides for colleagues covering ADHD, autism, dyslexia and dyspraxia.

LGBTQ+

Following a recommendation from this network, we created the option for colleagues to include their pronouns on their name badge – over 1,000 of our people now choose to do so.

Women

Our women's development programme has been running since 2018 and in 2022 we welcomed a further 36 women. The programme helps women to build their support network, and a series of workshops allows them to learn from each other and from guest speakers.

Building awareness and understanding

We have now been running Inclusive Leadership workshops for over two years, and 85% of our senior and middle managers have attended one. The sessions are designed to support managers to lead in an inclusive way and be conscious of their own bias and how this may affect their decisions.

BEING A BETTER BUSINESS CONTINUED EMBRACING DIVERSITY CONTINUED

We also wanted to provide training materials for the wider workforce and, in 2022, introduced four new e-learning modules covering different aspects of diversity and inclusion. These are designed to deepen people's understanding of the key issues and show ways they can be more inclusive by acting as an ally, both at work and in their wider lives.

Over 80% of our colleagues – that's 22,500 people – accessed these modules during 2022.

We acknowledge and celebrate key dates throughout the year as part of our 'Being Inclusive' calendar, encouraging colleagues to share their own stories and experiences. For example, we launched our Race, Ethnicity & Challenging Assumptions learning module in Black History month.



Refreshing our recruitment

In 2022, we updated our recruitment website and supporting materials to help us to attract diverse candidates and ensure that everybody feels included throughout the candidate journey.

We have also provided hiring managers with further training to ensure we are recruiting and making selection decisions in an inclusive way.

Improving our diversity and inclusion data

Our new recruitment system has enabled us to collect and analyse aggregated diversity data, which is helping us identify opportunities to broaden our reach or provide additional support through the recruitment process.

In addition, we are encouraging our colleagues to check and update their data in our people system so that we can improve the quality of the diversity data that we hold for our workforce.

The Main Board and Operating Board regularly review data insight reports, which improve our understanding of the composition of our workforce and help us to work out where we need to make extra efforts if we are going to meet our 2025 target to reflect the communities we serve. In 2023, we will include benchmark data from the 2021 Census.

Partnerships

We are signatories of the British Retail Consortium's 'Better Jobs' and 'Diversity and Inclusion Charter' and the Business in the Community 'Race at Work Charter'. We are also a member of the Valuable 500, a global business collective made up of 500 CEOs and their companies, focused on disability inclusion.

+80%

of our colleagues – that's 22,500 people – accessed diversity and inclusion modules during 2022



BEING A BETTER BUSINESS CONTINUED
EMBRACING DIVERSITY CONTINUED

Giving people a Fresh Start

Our Fresh Start programme offers training and work experience to people who may face challenges with getting a job. These include people who are coming back into work including carers, those who have been long-term unemployed and those leaving the armed services or prison.

During 2022, we reached 683 candidates, provided 5,500 hours of work experience and offered 37 permanent roles – taking the total number of jobs provided since 2017 to 212.

CASE STUDY

WORK PLACEMENTS FOR PEOPLE WITH DOWN'S SYNDROME

We are proud of our partnership with Workfit, an organisation that supports people with Down's syndrome to access employment opportunities. Since the start of our partnership, we have offered 22 permanent roles to candidates following successful work placements in our shops. Harry, from our Cardiff shop, celebrated five years of service with Greggs this year.



CASE STUDY

INTERNSHIP PROGRAMME FOR YOUNG PEOPLE WITH SEND

West Lea school provides a one-year study scheme for 16- to 24-year olds with special educational needs or disabilities (SEND). In support of the school's Supported Internship Programme, we invited four of their students to do a work placement at our Enfield Distribution Centre. They stayed with us for nine months and were given additional classroom learning focusing on development areas identified during the placement. At the end of the programme, we hired all four of them into permanent roles, and we plan to continue working with the school on future internships.



"The partnership between Enfield DC and the West Lea school has been wonderful. The team have embraced the opportunity to engage and support young people with additional needs, teaching them vital skills that will help them to secure successful and gainful employment."

Alex Elferink, Logistics Manager, Enfield Distribution Centre

BEING A BETTER BUSINESS CONTINUED
SOURCING SUSTAINABLY

MORE RESPONSIBLE SOURCING

2025

We will have a robust Responsible Sourcing Strategy in place and will report annually on progress towards our targets by the end of 2025.

RELATED UN SUSTAINABLE
DEVELOPMENT GOALS:



BEING A BETTER BUSINESS CONTINUED SOURCING SUSTAINABLY CONTINUED

We believe that our approach to procurement can have a positive impact on the world. Before we buy from a new supplier, we make sure their environmental, ethical and social values meet our own. And we are always challenging ourselves – and them – to raise the bar higher.



£4m

generated from our coffee purchases in Fairtrade Premium for small-scale coffee farmers since we switched to Fairtrade coffee in 2006

Building our Responsible Sourcing Strategy

We committed to creating a robust Responsible Sourcing Strategy by the end of 2025. To date, we have published a number of policies that lay out the minimum standards we set ourselves when sourcing products. We've also published our 2025 targets that will ensure we treat both ethical and sustainable sourcing with the priority it deserves and requires.

Some of the details are covered here in Commitment 9 but three important topics are addressed by other commitments:

- Commitment 5: Net Zero Carbon – 92% of our carbon footprint occurs in our supply chain, so we are supporting our suppliers to try to reduce it.
- Commitment 7: Using Less Packaging – whether it is made of cardboard, paper or plastic, we have strict procurement standards for our packaging.
- Commitment 10: Protecting Animal Welfare – we are working with our suppliers to raise standards for animals in our supply chain.

Collaborating with our suppliers

To succeed in our mission to source more sustainable goods, we need to work in partnership with the businesses we procure from. We sell a wide range of products, which means that we rely on a large network of suppliers to provide us with ingredients. They, in turn, may have numerous suppliers of their own, making our supply chain yet more complex.

As a responsible business, we need to know what decisions are taken at every step in our supply chain to look after workers and consider animal welfare. We also want to know what environmental policies and management systems our suppliers – and their suppliers – have in place. We make sure that our suppliers are aware of the relevant standards and policies that we have in place and have processes and systems to make sure they are doing so.

Treating our suppliers well is the least we can do in return: we pay them promptly and offer reduced payment terms of 30 days to our smallest suppliers. As set out in the Greggs Procurement Code of Conduct, we take care not to transfer excessive risks and costs onto them which might stifle their innovation and growth.

Combatting deforestation

Deforestation contributes to climate change, so we have taken steps to make sure that our procurement choices are not linked to the degradation of forests or their conversion into farmland.

In 2022, for the first time, we disclosed information to the Carbon Disclosure Project about all the forest-risk commodities we source. These are palm oil, wood or paper, soy, cocoa and beef.

Today, 100% of the palm oil we use is Roundtable on Sustainable Palm Oil (RSPO) certified sustainable, 100% of our coffee is Fairtrade certified, 100% of all direct purchases of soy are certified as sustainable, 100% of direct purchases of chocolate are Fairtrade certified and we are working towards 2025 targets on the other commodities:

Soy: 100% certified sustainable by the end of 2025

Greggs is a member of the UK Roundtable on Sustainable Soya (RTSS), and a signatory of UK Soy Manifesto. We are proud that all the soy we buy directly is now certified as sustainable.

BEING A BETTER BUSINESS CONTINUED SOURCING SUSTAINABLY CONTINUED

Next, our focus is on the products we buy which list soy as an ingredient. Working with our suppliers, we aim to have all this soy certified sustainable by the end of 2025.

Soy is commonly used to feed livestock, meaning that our meat and dairy supply chain is a priority area of focus. In 2022, we completed a mapping exercise of these suppliers, requesting disclosure of the proportion of each product that is soy and whether it is certified sustainable. We are now working with them to ensure that any soy is certified by the end of 2025.

We have also taken steps to swap soy for other ingredients. For instance, we have exchanged the soy protein isolate in our Sausage Rolls for wheat protein and removed the soy lecithin from our doughnuts.

Cocoa: 100% Fairtrade or Rainforest Alliance certified by the end of 2025

By the end of 2025, we want to tell our customers that 100% of the cocoa in our products is Fairtrade certified. We started with chocolate, and by the end of 2022 all our direct purchases contained Fairtrade certified cocoa. By the end of 2023, we want to be able to say the same of all products that contain chocolate as an ingredient too.

Cocoa is used in more than just chocolate, however, and we are working to ensure that all cocoa used in any of our products is Fairtrade or Rainforest Alliance certified by the end of 2025.

Beef: 100% reared on land that is Deforestation and Conversion Free (DCF) by the end of 2025

The brisket that we purchase directly is reared on land in the UK or Europe which has not been deforested or converted and we are investigating similar sources for corned beef too. During 2022, we surveyed all our suppliers of beef, and products that contain beef, to better understand what further work is required to meet our 2025 target.

TRANSPARENT AND ACCOUNTABLE



Greggs is listed on the Corporate Ethics Register of the Chartered Institute of Procurement and Supply. This demonstrates that over the past year we have taken proactive steps to safeguard against unethical conduct in procurement and supply management.

Every year, we publish our Modern Slavery Statement online, explaining what we are doing to avoid slavery in our business and supply chain.



CASE STUDY

FAIRTRADE COFFEE

According to the latest report, published in 2021, we sourced more than 2,000 tonnes of Fairtrade coffee from 37 coffee farmer groups across four countries: Peru, Colombia, Honduras and Vietnam. Around 20% of the farmers are female.

Since we switched to Fairtrade coffee in 2006, our coffee purchases have generated over £4 million in Fairtrade Premium for these small-scale coffee farmers. That premium not only means a fair pay packet, but it also allows farmers to invest in their business and their community. Fairtrade has conducted research to understand how the premium is used: around half goes back into the farm, improving coffee quality or yield, or enhancing sustainable agricultural practices. Around 5% is typically invested in services that benefit the wider community such as education, recreation and infrastructure.

As our coffee sales go up, so does the size of our contribution.

Tier 1

will be secured and maintained in
the Business Benchmark on Farm
Animal Welfare by the end of 2025.

TREAT 
ANIMALS
HUMANELY

RELATED UN SUSTAINABLE
DEVELOPMENT GOALS:



BEING A BETTER BUSINESS CONTINUED
PROTECTING ANIMAL WELFARE CONTINUED

The welfare of animals in our supply chain is important to us: we insist that they are treated humanely.

At a minimum, we expect our suppliers to strive to meet the requirements of the Greggs Farm Animal Welfare Standards. Beyond that, we have set stretching targets for chicken stocking density and are doing more to improve the welfare of pigs.

The Greggs Farm Animal Welfare Standards

We ask our suppliers to meet our Farm Animal Welfare Standards. In some cases, we have already achieved our objectives and are now maintaining them. In others, we are working with our suppliers to move closer to our goal.

We monitor supplier performance in meeting our standards through questionnaires, third-party accreditations, site visits, trace audits and farm animal welfare audits.

Increasing transparency

We have participated in the Business Benchmark on Farm Animal Welfare (BBFAW) since it was set up in 2012. It is the leading global measure for farm animal welfare management, policy commitment, performance and disclosure in food companies.

We have been in Tier 2 of the benchmark since 2016, but have set ourselves the goal of reaching and maintaining Tier 1 by the end of 2025. During 2022, we reported more information to BBFAW, increasing the visibility of our approach to farm animal welfare.

To achieve Tier 1, we will demonstrate a leadership position on farm animal welfare by further improving transparency, switching to slower growing chickens, and insisting that all our pork comes from farmers who breed their pigs free from confinement and routine mutilations like tail docking.

The BBFAW standard is currently undergoing a comprehensive review and we will use the revised standard to establish a new baseline to drive progress in our performance and reporting. We look forward to being measured against the new standard in 2023.



38kg/m²

We met our commitment to reduce stocking density for broiler chickens to no more than 38kg/m². We also improved transparency by sharing more information with the Business Benchmark on Farm Animal Welfare.

CASE STUDY

SLOWER GROWING CHICKENS

We demonstrated our commitment to improving the welfare of broiler chickens by signing up to the European Chicken Commitment (ECC), which requires slower growing breeds. These typically have better welfare outcomes such as improved leg health, walking ability and general health and wellbeing. In 2022, we completed feasibility work with our top chicken suppliers with input from Compassion in World Farming (CiWF).

We completed a rearing trial which produced some chickens for us to assess. Our suppliers are now

evaluating the Hubbard Redbro breed, which has been approved by the ECC technical steering team. We continue to attend ECC working group meetings and will attend the CiWF forum in March 2023.

Whatever the breed, we know that chickens need space to live and grow which is why we ensured all chicken stocking densities are no more than 38kg/m² – ahead of EU and UK legislation. We want to go further still and, by 2026, aim to bring that down to 30kg/m² or less. In 2022, 49% of our broiler chickens were raised at this stocking density or less.



CASE STUDY

HIGHER WELFARE PORK

We buy several different pork products, including pork shoulder (which goes into our sausage rolls) and ham (for our sandwiches).

We have high standards for our pork and choose suppliers who keep their pigs free from sow stalls and provide them with species-specific environmental enrichment for the proper expression of rooting, pawing and chewing behaviours. In 2022, 99.97% of the pigs we purchased had been provided with species-specific environmental enrichment, and over 71% of pigs were reared without the use of sow stalls.

We also ask that farmers avoid routine surgical interventions like tail docking. Although tail docking remains at a high level in all supply chains, we are working with suppliers to reduce this. We also require that all pigs are stunned pre-slaughter.

We continue to monitor these requirements with our suppliers and are working with them to drive performance improvements.