

DEDICATED TO DOING GOOD

A pair of hands forming a heart shape, with a small blue bird perched in the center. The heart is framed by a white rounded rectangle.

THE GREGGS PLEDGE



SUSTAINABILITY REPORT 2021



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A WORD FROM OUR CHIEF EXECUTIVE

“MILLIONS OF CUSTOMERS VISIT GREGGS EACH YEAR BECAUSE WE DO WHAT WE DO WELL. THE GREGGS PLEDGE IS OUR COMMITMENT TO DO IT BETTER FOR THEM TOO: WE’RE MAKING GREGGS BETTER FOR THEIR HEALTH, BETTER FOR THEIR COMMUNITIES AND BETTER FOR THE PLANET.”



One year ago, we published the Greggs Pledge: ten things that we’re doing to help make the world a better place by 2025. In this report, we share progress towards those ten commitments and explain what we will be doing next. It is our way of being as transparent as possible on this important journey.

I’m proud of what we have achieved together in 2021, particularly given the ongoing challenges we’ve faced in managing the Covid-19 pandemic. We’ve come back stronger and better: we opened new Breakfast Clubs and Outlet shops; we smashed our target on providing healthy choices; we are about to open our first Eco-Shop; and we have made reductions to both food waste and our use of packaging.

Thank you to the thousands of colleagues who are working hard to deliver our commitments, as well as the partners and suppliers who support us. As our business grows and evolves, we will keep working together to make the world a better place.

Roger Whiteside
Chief Executive

Each of our pledges aligns with at least one of the following United Nations’ Sustainable Development Goals:



Our ten pledges focus on three areas where we believe we can make the most difference:



Helping to build stronger, healthier communities:

Tackling poverty, hunger and poor nutrition.

[READ MORE >](#)



Making our planet safer:

Cutting carbon and waste, and building the shops of the future.

[READ MORE >](#)



Being a better business:

Embracing diversity in our workforce, and improving efficiencies in our supply chain.

[READ MORE >](#)





We have been around for over 80 years, building a reputation for offering great quality, freshly prepared food at low 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 purpose

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

Our vision

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

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.





THE GREGGS PLEDGE



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



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.

- 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.



Safer planet

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

- 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 'shop 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.



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.

- 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 BFAW Animal Welfare standard.



Our progress at a glance

How did we do? ● Achieved ● Partially achieved ● Still to be achieved

IN 2021...



686 Greggs Breakfast Clubs fed more than 44,500 children every school day.



We redistributed 28% of all unsold food in our shops and reduced manufacturing waste by 31% (as a % of sales).



We have 20* Greggs Outlet shops up and running – with a further ten in the pipeline for 2022.



32% of the items on our shelves are healthier choices.



We've assessed the carbon footprint of our whole value chain.



We have created the Eco-Shop template.



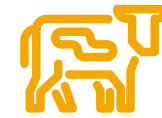
We've joined the On Pack Recycling Label scheme to make recycling communications easier to understand.



500 managers attended an Inclusive Leadership workshop.



We completed our review of soy across all our ingredients**, joined the UK Roundtable on Sustainable Soya (RTSS) and signed up to the UK Soy Manifesto.



We've created a roadmap to achieve a Tier 1 rating in the Business Benchmark on Farm Animal Welfare.



* We've increased our Outlet shop numbers from 13 to 20 in 2021. Although this means we missed our target of 30, we're still proud of the progress we have made.
 ** We wanted our direct purchases of soy to be 'identity preserved' (meaning we would know exactly where it came from) by the end of 2021 but didn't achieve that. However, we did complete our review of soy across all our ingredients, joined the UK Roundtable on Sustainable Soya (RTSS), and signed up to the UK Soy Manifesto.

Looking ahead

By the end of 2022...



We will have 760 Breakfast Clubs.



We will have reduced the amount of food waste we create in our manufacturing operations by 10% and increased food redistribution by a further 10%.



We will have 30 Greggs Outlet shops.



30% of all new products we create will be 'Healthier Choices'.



In line with our Scope 3 analysis, we will complete our Supplier Engagement Plan and publish our Science Based Targets.



We will open our first Eco-Shop and a further 250 shops will have Eco-Shop elements.



We will include an On Pack Recycling Label on all own brand packaging and build our road-map to move all own brand packaging into 'recyclable criteria'.



We will achieve the National Equality Standard Assessment.



We will publish our Deforestation Policy, map supplier compliance and plan to be deforestation free by 2025.



We will ensure chicken stocking densities are a maximum 38kg/m².



Related UN Sustainable Development Goals:



1. GROWING GREGGS BREAKFAST CLUBS

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

We've been providing a free breakfast to children who need it for more than two decades. We know that hungry children find it harder to concentrate and learn so we want to make sure as many as possible are getting a good start.

By the end of 2021, we had 686 Breakfast Clubs up and running across the country, between them serving wholesome, free breakfasts to more than 44,500 children every school day – over the year, that means we provided 8.6 million meals. By the end of 2025, we hope to have 1,000 clubs open.

"One child told us that some days there were only a couple of slices of bread in their home and they were often hungry. Both parents work within the entertainment industry but were furloughed in March 2020. Then Dad was told that the theatre had closed. Mum was on a zero-hour contract with no work available. They were struggling to provide the basics for their children: food, heating and clothing.

"These food parcels have made a great difference to their lives, providing sustenance for all the family. The stress felt by the parents has been reduced greatly, as they did not have to worry as much about feeding or the wellbeing of their children. Dad said that he was astounded by the generosity and support they were offered; it was such a surprise, and they are all so grateful. This support has helped them to survive."



Fundraising

A typical Breakfast Club costs just £3,000 to set up and run for a year. Funding comes from a variety of sources, half from Greggs Foundation and half from our partners.

We fund 208 Breakfast Clubs through customer donations via the Greggs Foundation. In 2021, anyone who bought a Jammy Heart, a carton of Ribena or one of our three different children's sandwiches directly contributed to this great cause. In April we first introduced a new 25 pence donation at our tills which is ringfenced for our Breakfast Clubs during our Breakfast Club Appeal. This helped us to raise £120,000 which equates to 480,000 free breakfasts for children. In September, we made this a permanent fixture in our shops raising a total of £57,000 through 25p donations throughout the year.

In addition to support from the Foundation, individual Greggs shops and distribution centres support Breakfast Clubs in their local area, meaning that a further 156 clubs are paid for through fundraising activities led by our teams. For instance, our shop at Binswood Avenue in Newcastle chooses to support Hilton Primary which is just around the corner. Last year, they raised £725 by holding raffles and dressing-up days.

322 Breakfast Clubs are financed by 124 partner organisations, including shareholders, businesses in our supply chain, trade bodies, social housing groups and independent businesses, each of whom bring their own skills to the scheme. Some choose to support just one or two clubs that are local to them, while others fund a nationwide network. These partners are enormously important to the success of the programme: many play an active role in supporting their local club and we share and learn from each other.

Supported by their local Greggs shop

Wherever the funding comes from, the bread always comes from Greggs. In 2021, we donated more than 288,000 loaves of fresh bread to be turned into toast at Breakfast Clubs.

DURING 2021, 686 GREGGS BREAKFAST CLUBS FED MORE THAN 44,500 CHILDREN EVERY SCHOOL DAY.

CASE STUDY

Helping people struggling with food poverty

Food insecurity is a depressing reality for millions of children across the UK. According to CPAG – the Child Poverty Action Group – almost a third of all children in the UK live in poverty. That proportion is closer to half of all lone-parent families and children from Black and minority ethnic groups.

Greggs Breakfast Clubs help to ease food insecurity during term time, but the holidays are just as hard. Participating schools can apply for a grant to ensure that the children who attend their Breakfast Club have the same access to food and activities in the school holidays too. These schools can also apply to the Greggs Foundation hardship programme on behalf of individual children and their families, which helps households make ends meet by providing supermarket vouchers, clothes, beds and bedding, and even white goods.

The schools we support tell us what a difference the Breakfast Club and Greggs Foundation hardship grants can make to a family.



“We have a lot of vulnerable families at this school, and it’s often difficult to meet all their needs. The hardship grants really help us to support them, especially during the pandemic. It allows us to help make a difference in their lives.”

“One example is a family where Dad had lost his job due to Covid. The family is struggling financially, and the children often come to school unkempt and hungry. We have provided them with breakfast and uniform on many occasions. They were coming to school in summer clothing all year round so we helped them get access to clothing and food vouchers.”





HELPING TO BUILD STRONGER, HEALTHIER COMMUNITIES CONTINUED



Related UN Sustainable Development Goals:



2. PUTTING AN END TO FOOD WASTE

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

We are looking for ways to reduce food waste right across our business. It starts with taking care with the ingredients we use to make our products, and it ends with us getting any surplus food into the hands of people who need it.





HELPING TO BUILD STRONGER, HEALTHIER COMMUNITIES CONTINUED



Cutting production waste

Reducing waste from our manufacturing sites is a key part of our food waste reduction plan and, during 2021, our efforts led to a 31% reduction in waste compared with 2019 (as a % of sales).

In part, this is due to a new mapping process that is helping us to spot where waste is being created so we can make targeted changes. The process uses software and hardware to collect data, allowing for a more detailed review of any 'pinch points'. We can then action any required process changes or equipment adjustments to ensure that we maintain a good performance.

However hard we work to remove waste from our production processes, we know there will always be some and we want to do what we can to keep it out of landfill. For instance, our Manchester, North Lakes and Leeds sites send food waste to be used as animal feed – and we plan to get more sites doing the same in 2022.

Reducing food waste in our shops

Greggs is a business built on freshness: our customers can taste that our bread was baked by us and that our sausage rolls are fresh from our ovens. To manage this 'daily fresh' approach we use a sophisticated forecasting and ordering system which calculates, shop by shop, what we expect our customers to buy each day.

Giving good food a second chance

Anything unsold at the end of a day is surplus. We have three channels for giving this good food a second chance: we donate it to charities who can make use of it; we offer it to our customers at a discount; and we sell it through our Outlet shops (see Pledge 3).

IN 2021, WE REDUCED MANUFACTURING WASTE BY 31% (AS A % OF SALES).



In 2021, we donated over 1,000 tonnes of food to our charity partners. Fare Share is the largest and best known of these, but we also support hundreds of small local organisations which have teamed up with a local shop. These charities then redistribute the food to people in need.

Across the UK, 1,000 Greggs shops offer unsold food at a greatly reduced price through the Too Good To Go app. Every day, 45 minutes before we close a shop, we make up bags containing around £8 worth of unsold products – typically two sandwiches, two savouries and two sweet products. These 'Magic Bags' are then offered on the app for just £2.59 and customers visit the shop to collect them just before closing time. In 2021, Too Good To Go helped us save around 800 tonnes of food that would otherwise have been wasted.

Another 880 tonnes was passed to our Greggs Outlet shops last year. Collectively, these initiatives meant that 28% of all our unsold food was redistributed in 2021 – up from just 12% in 2018 and we remain committed to driving this figure up further in the years ahead.

CASE STUDY

Saving cheese!

Over the last few years, we have reorganised our food production by making each of our manufacturing sites the experts at making a particular thing, meaning they could focus on projects to cut waste for a particular product.

An excellent example is our pizzas production line in Manchester. Since starting to make pizzas, they have increased from 350,000 pizzas each week to making more than 800,000. Having expanded their pizza production capacity, they worked as a team to reduce manufacturing food waste as much as possible, with the biggest success story being cheese.

When we first decided to tackle the issue of wasted cheese, we expected to make an annual saving of a few tonnes. However, these simple interventions are projected to save us almost 150 tonnes of cheese each year!





Related UN Sustainable Development Goals:



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.

We are opening Greggs Outlet shops in areas around the UK where we know social deprivation is high. These shops offer day-old food products at a big price reduction, meaning that families on a tight budget can pick up a bargain.

We added seven new shops in 2021, taking the total to 20. So far, these are largely in the North and West of Britain, stretching from Bristol to Glasgow.





Avoiding food waste

As you've read in the previous commitment, cutting food waste is a priority for Greggs. Making sure we have the freshest possible products on sale means that good food sometimes goes to waste if we don't sell it on the day it's made. Our Outlet shops are a solution to that challenge – we now have a dedicated channel for unsold food.

Helping people bag a bargain

This commitment also helps to address a different challenge: too many people in the UK are struggling to put food on the table. Our Outlet shops are helping people to stretch their money further. Last year, our Outlet customers bought 1.1 million sweet products, 1.1 million sandwiches and 1 million savoury products.

Raising money for the community

A further benefit of Greggs Outlet shops comes from the money they generate for the community: we have chosen to donate a portion of the profits to the Greggs Foundation where it is ringfenced for local community groups that are working to tackle food poverty and associated issues. In 2021, we donated almost £370,000 from the profit made by our 20 Outlet shops.

WE HAVE 20 GREGGS OUTLET SHOPS UP AND RUNNING – WITH A FURTHER TEN IN THE PIPELINE FOR 2022.

Helping to feed our neighbours

We want to use the money raised through our Outlet shops to provide support to those who need it most. In 2021, we gave grants to the following organisations, each of which provides food and support for people in the neighbourhood of one of our Outlet shops. These one-year grants are typically used to cover salaries, overheads or projects. As our network of Outlet shops grows, we hope to be able to support more organisations like these:

- Feeding Britain Threehills Project
- Family Action – Cardiff FOOD Clubs
- The Felling Food Network
- Family Action – Birmingham FOOD Clubs(Saltly)
- Back on the Map
- Family Action – Birmingham FOOD Clubs(Ward End)
- Highgate Community Support Limited
- Cadog's Corner Development Group
- St Martin's Centre Partnership
- South Tyneside Churches Key Project
- Bangladeshi Women's Association Limited
- Family Gateway
- West End Women and Girls Centre
- The Halliday Foundation
- Neruka's Soul Food Soup Kitchen
- Reach Beyond (HCJB-UK)





CASE STUDY

South Tyneside Churches Key Project

Before the pandemic hit, this foodbank was regularly feeding 6,000 people a year. Once the first lockdown started, demand exploded, and its team of volunteers fed more than 10,000 people in the first half of 2020.

"We understood that with more food going out, more calls for assistance and more volunteers to manage that we needed to recruit a paid team leader. With support from the Greggs Foundation we were able to hire Marie and were instantly able to respond to all the other needs we were seeing. We set up a baby bank, offering nappies, wipes and baby essentials. We grew our Uniform Exchange so that we could offer new and pre-loved uniforms to pupils at every school in South Tyneside. And we ran dedicated holiday clubs during half terms for those that needed a bit of extra help. The relationship with Greggs gave us the resources and support to achieve far more than we could have dreamed possible."

Many of Key2life's team of volunteers have been out of work for some time. Team leader Marie provides them with training on safeguarding, manual handling, first aid and customer services, helping to make the volunteers more employable. One volunteer, Jason, was lacking in self-confidence until Marie encouraged him to apply to the Greggs work experience programme and he is now a valued Greggs colleague.

Jason says: *"I'm so grateful to Marie for convincing me to take the chance. Having been out of work for so long I was beginning to believe some of the negative thoughts I had about myself. The experience has helped me massively and I now think that the future looks good for me."*





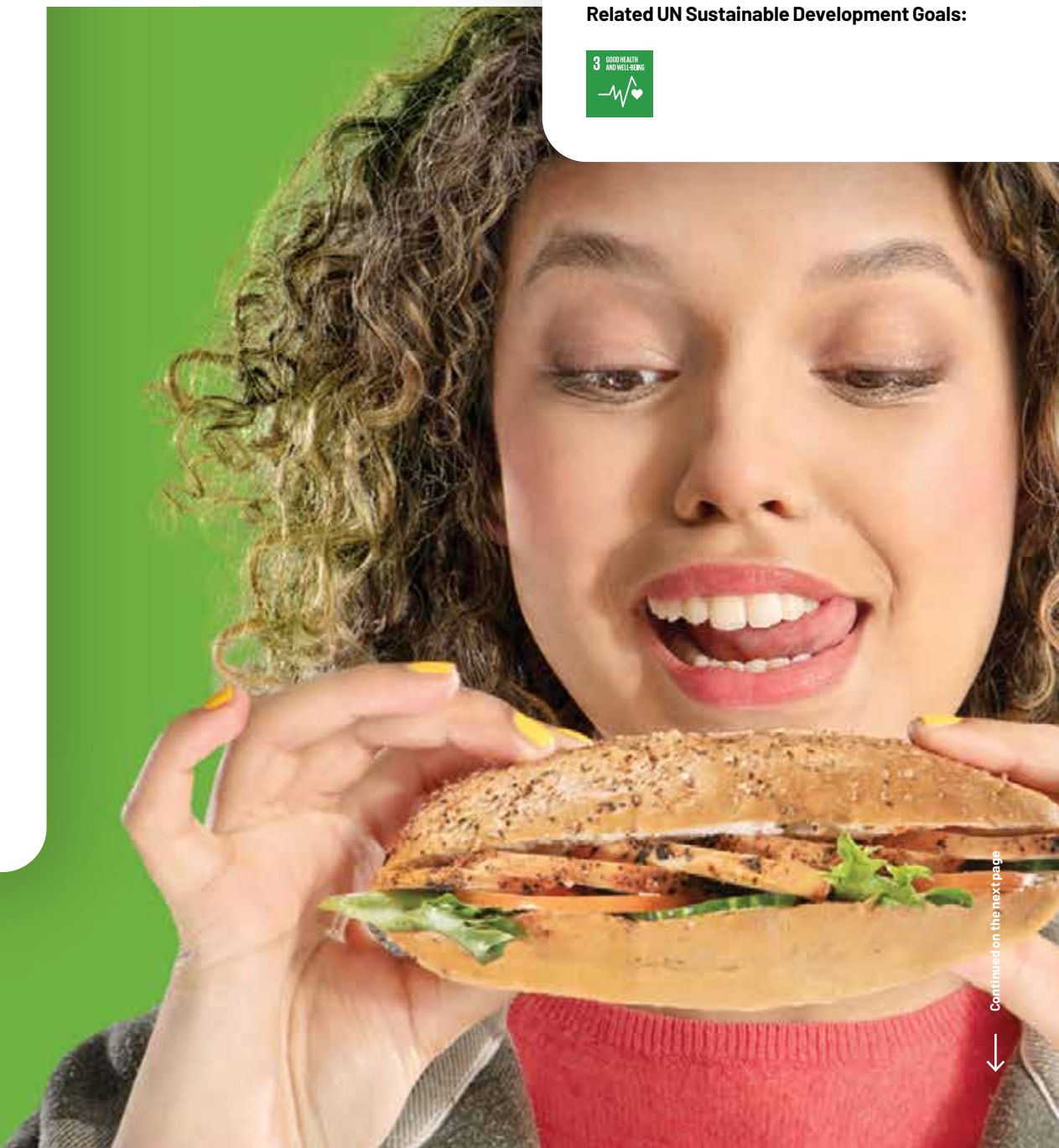
4. HELPING OUR CUSTOMERS TO MAKE HEALTHIER CHOICES

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

Our vision is to be the customer's favourite for food-on-the-go. To achieve that, we know we need to offer great tasting, freshly prepared food that helps people stay healthy.

We might be famous for our sausage rolls and pasties, but we're starting to get a bit of a rep for being great at salads and soups too. Our new products are helping us reach a wider range of customers as well as helping our loyal regulars to cut their intake of salt, sugar and fat.

Related UN Sustainable Development Goals:





HELPING TO BUILD STRONGER, HEALTHIER COMMUNITIES CONTINUED

Putting healthier choices on our shelves

We've set ourselves a target to make 30% of everything we sell a healthier choice. That means the product must contain fewer than 400 calories and score no reds in the Food Standards Agency traffic light system for fat, salt and sugar.

We smashed our 30% target in 2021. Our challenge now is to maintain this. We are extending our opening hours in 500 shops and increasing the orders we deliver, meaning we will be serving many more evening meals. Our customers tend to want something heartier at this time of day, so we have been looking for a healthy option to meet that need. We are currently trialling filled jacket potatoes with side salad and one of these fillings, a vegan chilli, will contain fewer than 400 calories in line with our criteria for Balanced Choice.

As well as helping our customers to eat less salt, fat and sugar, we also want to help them get more of the good stuff like protein and vitamins. Every one of our soups and leaf-based meal salads contains at least one portion of veg, and 50% of our own-brand cold sandwiches provide half a portion. We are redeveloping our bread and rolls, enriching them with vitamin D and will let our customers know about these improvements through marketing and promotion.

All this in addition to the reformulation work we have already been doing, like working in line with the 20% sugar reduction targets.

Guiding people towards a healthier choice

We know that providing clear information is important in helping people to make informed choices about what they eat. That's why we've put calorie and nutritional information on the shelf, as well as on our website and mobile app.

WE HIT OUR TARGET! IN 2021, 32% OF THE ITEMS ON OUR SHELVES WERE HEALTHIER CHOICES.

We use a 'traffic light' label to help people see, at a glance, what each product contains – in fact, when we added this information to our website and app, we were the first food-on-the-go brand to do so. We now have traffic lights on every item in our savoury and sweet lines and are working on our hot 'to go' products.

In addition to the label, our marketing teams are thinking about ways to help people see the wider nutritional benefits of a product by flagging when something is, say, high in protein or fibre. For instance, many of the sandwiches we make in our stores are a source of protein and we will begin to communicate that to customers in summer 2022.

Incentivising healthier choices

We want to make our healthier choices as tempting as possible and, in 2021, introduced an add-on to our meal deals, allowing customers to purchase a fruit pot for just 75 pence.



CASE STUDY

Developing new products and giving our customers choice

Healthy eating is one of the fastest growing food trends – our customers want to eat more fruit and veg, and consume more vitamins. Our job is to respond to that desire by creating tasty Greggs products that help people eat more of the good stuff and less salt, sugar and fat.

We had a huge hit with our Vegan Sausage Roll in 2019 and our Vegan Steak Bake in 2020. Building on these success stories, we tested a whole range of vegan alternatives in 2021, all of which were met with enthusiasm by our customers, including the Vegan Sausage, Bean and Cheese Melt, Vegan Festive Bake, Vegan Bacon Breakfast Roll, Vegan Sausage Breakfast Roll and Vegan Ham and CheeZe Baguette, which was crowned 'Best Vegan Sandwich' at the 2021 PETA Vegan Food Awards.





Related UN Sustainable Development Goals:



5. NET ZERO CARBON

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

The climate emergency requires swift, radical action so we have set up a Net Zero Taskforce to challenge the climate impact of every area of our operations and drive action to reduce it.

We aim to be Net Zero by 2040 – a decade earlier than the UK government’s plan for all emissions including our value chain.



Our carbon footprint

We started thinking about carbon back in 2010 and, by 2015, had reduced the carbon intensity of our business by around a quarter. Since then, we've held the Carbon Trust Standard in recognition of our ongoing efforts to reduce carbon from our own operations.

Electricity use makes up around 60% of our footprint, so reducing its impact was a priority. We now only purchase green electricity from the grid and, where we rent our properties, are in discussions with the building owners to switch their electricity supplier to a carbon neutral source too. Gas is more challenging as green gas is less widely available but – given it represents 10% of our direct footprint – we are determined to either stop using it or switch to biogas. For instance, as we refit shops, we are switching over to electric systems for heating and water. Our goal is to be using 100% renewable energy across our operations by 2025.

Around a quarter of our direct carbon footprint is caused by our delivery and vehicle fleet. We aim to move to a Net Zero fleet by 2035 and, in the meantime, are making our logistics as efficient as possible, by training our drivers to use fuel efficiently and looking for ways to do things differently – for instance, we have started using double-decker trailers for transporting goods from our Balliol factory, meaning we can move 70% more with every journey.

The final 7% of our direct footprint is caused by the refrigerants we use in our refrigeration plants and to cool our shops and sites. We are working with our refrigeration suppliers to explore how we can replace high GHG refrigeration gases, and, when we need to replace old freezers, are swapping them for a new model which is significantly more carbon efficient.

WE'VE ASSESSED THE CARBON FOOTPRINT OF OUR WHOLE VALUE CHAIN.



Understanding carbon in our supply chain

It is relatively straightforward to estimate the carbon footprint of our own operations – we use data from our electricity and fuel bills to do that. Calculating embodied carbon – the carbon that was caused through growing our ingredients and transporting them to us – is a little more complex. But it is important that we do so because Scope 3 emissions represent more than 90% of our total carbon footprint.

During 2021, we worked with the Carbon Trust to measure our Scope 3 carbon footprint – that is, emissions that occur either upstream or downstream of our own operations. It includes the goods and services we buy, how we travel (both business travel and commuting), franchise shops, and the impact of our suppliers' transport and distribution activities.

It also considers what happens to any waste our customers are left with.

We brought together the key people in our organisation to agree how best to do this, and then gathered data from all the relevant functions (we used data from the pre-Covid year of 2019 when we were operating normally). The Carbon Trust then applied globally approved emissions factors to this data and made informed estimates about any gaps.

These results are now being used to help us build our long-term reduction framework. As expected, three-quarters of our Scope 3 footprint comes from product-related goods and services – in other words, ingredients and packaging – with meat and dairy products alone representing half. Engaging with these suppliers will therefore be our first area of focus. We also intend to upgrade our procurement system to improve transparency on the carbon impact of the goods we buy.

In the meantime, the introduction of our new vegan products is helping to normalise a diet that contains less meat, something we know an increasing number of our customers are interested in. Next, we are looking at whether an eco-label might help us to communicate the environmental benefits.





CASE STUDY

Building with carbon in mind

In summer 2021, we opened a new distribution centre for frozen food in Balliol, Newcastle. Since the project was first conceived, cutting carbon emissions has been at the top of our minds: we considered what it would be built from, how thermally efficient the building would be and how we could reduce demand for cooling, lighting and water.

We built the centre using fully recyclable insulation panels and introduced a thermally efficient docking system which means we are not letting heat into our building or our refrigerated vehicles as we load them up.

To reduce energy demand, we use LED bulbs in all light fittings and opted for a refrigerant system which recovers and reuses heat.

Outside, we have installed 12 electric charging points in the car park to encourage uptake of electric cars. We have also built underground storage tanks so we can harvest rainwater.

Bringing storage in house and all under one roof has had a hugely positive impact in reducing the annual carbon footprint of this operation.

Setting targets

Now we have mapped our whole carbon footprint, we are working with the Carbon Trust to set science-based targets for further reducing our carbon emissions over the years ahead, as part of our journey to becoming Net Zero.

We have aligned our Net Zero ambition with the targets of the British Retail Consortium's 'Climate Action Roadmap':

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

We publish our carbon footprint in our Annual Report each year and participate in the Carbon Disclosure Project too. In 2021, we were pleased to see our score rise from C to B-.





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.

The design of our shops and the equipment we use within them are a key focus as we look for ways to reduce the environmental impact of our operations. Every year, we open new shops and refit existing ones, and are embracing these opportunities to rethink our approach.

Related UN Sustainable Development Goals:



*These doors
help us to
use less
energy*
Doing the right thing



MAKING OUR PLANET SAFER CONTINUED

Designing an Eco-Shop

We spent 2021 putting the finishing touches to a template shop design with sustainability at its heart. As well as thinking about how we fit out a shop and how we power it, the Eco-Shop design also uses less energy and saves water when a shop is up and running.

In 2022, we will open our first Eco-Shop, built using our new template. We have set up metering on every piece of technology so we can collect data on how well each item performs. Those that do well will then be added to our standard new build and refit templates. In this way, tried and tested eco technologies will steadily be added across all our shops. By the end of 2022, we are aiming to apply what we've learned to 250 shops and, by 2025, we hope to have got round at least a quarter of our estate.

Discovering new ideas

We are eager to try out all kinds of ideas and technologies to reduce the environmental impact of our shops. We have enlisted the support of external experts in this area, Innovation Gateway, so we can quickly identify the interventions with the potential to have the most impact. With their help, we have begun by looking at how we control and monitor the energy we use, and how we might introduce more automation, meaning things are switched off when they aren't needed.

It not just about the tech though; for the shop fit out – meaning the layout, design and furniture – we are working with Quantum4, a sustainable design agency, to think about the sustainability and recyclability of every element.

WE HAVE CREATED THE ECO-SHOP TEMPLATE – AND WILL OPEN THE FIRST ONE IN 2022.



CASE STUDY

The Eco-Shop project: team working at its best

At Greggs, when we want to get something done, we bring together the key people from across our business who can make it happen to create a project team. The Eco-Shop project is sponsored by the Property Director, meaning it has Operating Board-level support to help raise the project's profile and remove any barriers. The team met for the first time in April 2021 and has met regularly since then in preparation for the launch of the new Eco-Shop.

Karen Graney, Brand Format Manager, said: "While this shop will be a fantastic demonstration of everything we can achieve, we want to be able to roll out great ideas across all our shops as quickly as possible. This project will have an enormous impact on our use of natural resources like energy and water, ultimately bringing down our carbon footprint, so the sooner we deliver, the better."





Related UN Sustainable Development Goals:



7. USING LESS PACKAGING

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

We have pledged to cut the weight of packaging we use by a quarter. That includes not only what our food and drinks come wrapped in and the bag a customer uses to carry them out, but also our secondary packaging which is what we use to bring our products into our shops – most of which remains behind the scenes.

Some packaging is essential – it keeps our products intact, safe and fresh, and makes them easier to consume or transport – but we want to make sure we are never using more than is needed.





Using less

Unnecessary single-use plastics were the first to go: we either stopped using them (for instance, using tongs to pick products up, rather than a clear plastic 'lifting sheet') or we replaced them with a more sustainable alternative (like the paper bags that replaced our old plastic carrier bags).

We then went after other forms of unnecessary packaging. In 2021, we ran a pilot to see if we could cut our use of greaseproof paper. Each year, we use tonnes of it, all of which ends up in the bin because the type we use is not easy to recycle. We completed a shop trial of recyclable greaseproof paper and are planning a larger trial this year.

Using better materials

As well as using less packaging, we are also using better packaging: packaging which has a lower impact on our environment. For instance, all the paper or cardboard we use for our own brand packaging comes from sustainable sources (as certified by PEFC or FSC).

We have committed to make sure that all the plastic packaging we use for our own-brand products contains 50% recycled content by 2025. We have already achieved that for our own-brand drinks bottles and are now working on our salad and fruits pots and exploring the best approach for our bread bags and shrink wrap.

Using better design

We seek advice from Biffa, our main waste contractor, on our choice of materials and packaging design. They help us to better understand the UK's recycling infrastructure so we can help to increase recycling rates by making packaging that is easier to collect and sort.

Another aspect we are considering is how much space it takes up. It may sound unimportant, but it can help us reduce our carbon footprint by allowing us to get more goods into each

WE'VE JOINED THE ON PACK RECYCLING LABEL SCHEME TO MAKE RECYCLING COMMUNICATIONS EASIER TO UNDERSTAND.

lorry journey. For instance, we are looking to replace our cup holders with a flat-packed version, and are changing the format of our jam doughnut trays to allow us to fit more on each pallet.

Coffee cups

Wherever you buy your coffee, it will almost certainly be served in a plastic-lined paper cup which only a few UK recycling centres can currently process. One of the biggest challenges of coffee cup recycling is getting the material back so we can send it to one of these recycling centres. Our Eco-Shop design (see Pledge 6) includes a coffee cup recycling station to overcome this.

We are members of Valpak's coffee cup recycling group and are working with our industry peers to try to increase the number of coffee cups that get recycled.

As well as trying to fix the nation's recycling infrastructure, we are also eager to support the use of reusable cups. The Covid-19 pandemic put a temporary stop to our ability to refill our customer's own cups, but we are glad to have been able to reinstate that in September 2021. As an incentive, anyone who brings their own cup gets 20 pence deducted from the cost of their hot drink.

CASE STUDY

Making recycling easier

In 2021, Greggs joined the On Pack Recycling Label scheme – known as OPRL for short. The aim of the scheme is to make recycling communications as easy to understand as possible by using simple, consistent and UK-wide reuse and recycling messages on consumer packaging.

We've now reviewed all our customer-facing packaging against the OPRL criteria and, this year, we're looking to include the symbols on all our own brand packaging.

This means our customers will be able to recycle more packaging more often, therefore helping increase recycling rates and reducing the impact on the environment.





BEING A BETTER BUSINESS



8. EMBRACING DIVERSITY

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

At Greggs, we pride ourselves on our culture, creating an environment which is inclusive of everyone. We want our colleagues to feel welcome and to be able to be themselves at work, whatever their background, preferences or beliefs. We recognise that difference is good.

Not only does greater diversity make our business stronger, it makes us a more welcoming place. If our colleagues are representative of the communities we serve, we can better understand our customers and make sure they have a great experience when they visit us.

Related UN Sustainable Development Goals:





BEING A BETTER BUSINESS CONTINUED

Strengthening our competencies

With support from EY, Greggs has been assessed against the National Equality Standard, and is currently working towards gaining the accreditation. Key criteria include having leaders who advocate for diversity and inclusion, supporting people throughout their employment journey and having strategies in place to drive change. To meet the standard, we must demonstrate that we have met competencies as set out in the Standard and are on track to do so by spring 2022.

Also in 2021, we signed up to the British Retail Consortium's Better Job Diversity and Inclusion Charter and the Business in the Community Race at Work Charter and joined the Valuable 500, a global business collective made up of 500 CEOs and their companies, innovating together for disability inclusion.

Building awareness and understanding

During 2021, 85% of our people completed an e-learning module aimed at raising awareness of the importance of diversity. Our hiring managers are given additional training to make sure they are leading and recruiting in an inclusive way and are conscious of their own bias and how this may impact their decisions. 95% of our senior and middle managers have now been trained on inclusive leadership and management, and we are now extending this to our shop managers, supply supervisors and team leaders in our head office.

Some disabilities, like autism or chronic pain, can be invisible to the people around you. In 2021, we joined the Hidden Disabilities Sunflower Scheme and provided training on non-visible disabilities. Colleagues with a hidden disability are welcome to wear a sunflower badge at work so their colleagues know they face additional challenges.

500 MANAGERS ATTENDED AN INCLUSIVE LEADERSHIP WORKSHOP IN 2021.

We have reviewed our policies to ensure they are inclusive of everyone. We have introduced a Menopause Policy and have developed a Transitioning at Work Policy which we are reviewing with our LGBTQ+ colleague network.

Recruiting for diversity

We have reviewed our recruitment processes and have updated our recruitment paperwork and training. We are now working on updating our recruitment website and supporting materials to help us to attract diverse candidates and ensure that everybody feels included throughout the candidate journey. Next, we are commissioning research to help us understand how Greggs is viewed as an employer by different minority groups.





BEING A BETTER BUSINESS CONTINUED

Support networks

One of the most effective ways to support different groups is to create networks and programmes where colleagues can openly discuss any challenges and share experiences. We value these initiatives so highly that each of them has an Operating Board-level sponsor.

The women's development programme has been running since 2018 with the aim of encouraging women across the business to take on more senior roles. We hold regular workshops and networking sessions to help women build relationships across the business and hear from expert speakers.

Operating Board-level sponsors:

Roger Whiteside and Roisin Currie

At our head office, Greggs House, we have had an active LGBTQ+ network for several years and, in 2021, began to extend this so that colleagues working in our shops and supply sites are able to take part. They are now developing their vision for the network, and planning activities for Pride 2022.

Operating Board-level sponsors:

Malcolm Copland and Richard Hutton

We've also established a network for our Black, Asian and minority ethnic colleagues. The group meets regularly to share experiences and discuss ways they feel Greggs can become a more inclusive workplace. They also helped to populate our 'Being Inclusive' calendar which recognised 27 different dates throughout the year.

Operating Board-level sponsors:

Jonathan Jowett and Gillian Long

Our Disability Inclusion group provided insights into what it is like to be a Greggs colleague with a disability or a carer for a disabled person, and identified areas where we can improve.

Operating Board-level sponsors:

Tony Taylor and Raymond Reynolds



CASE STUDY

Helping people into work: Our Fresh Start programme

Being an inclusive business also means making it easier for people who might face challenges with getting a job. Through our Fresh Start programme, we proactively offer training and work experience to people who are transitioning into work, including care leavers, people who have been unemployed for a long time, or who are leaving the armed services or prison.

Through Fresh Start, we provide employability workshops, mentoring, mock interviews, interviews, placements and, most importantly, sustainable job opportunities to candidates that we would not ordinarily meet.

Over the last five years Fresh Start has enabled us to reach over 3,400 candidates we would not ordinarily meet and has enabled us to offer almost 2,300 work experience hours and 175 permanent roles.

The Kickstart Scheme

In 2021, we joined the Kickstart Scheme and created six-month work placements for people aged 16-24 who are on Universal Credit and at risk of long-term unemployment. During 2021, we offered 43 young people a Kickstart placement in either our head office or one of our shops, helping them develop their transferable skills and improve their chances of sustained employment. Four of these young people were offered Kickstart placements through the Fresh Start Scheme. One person who joined us through Kickstart has already moved into a permanent role with us, and we hope more of them will receive job offers when their placement ends.





BEING A BETTER BUSINESS CONTINUED



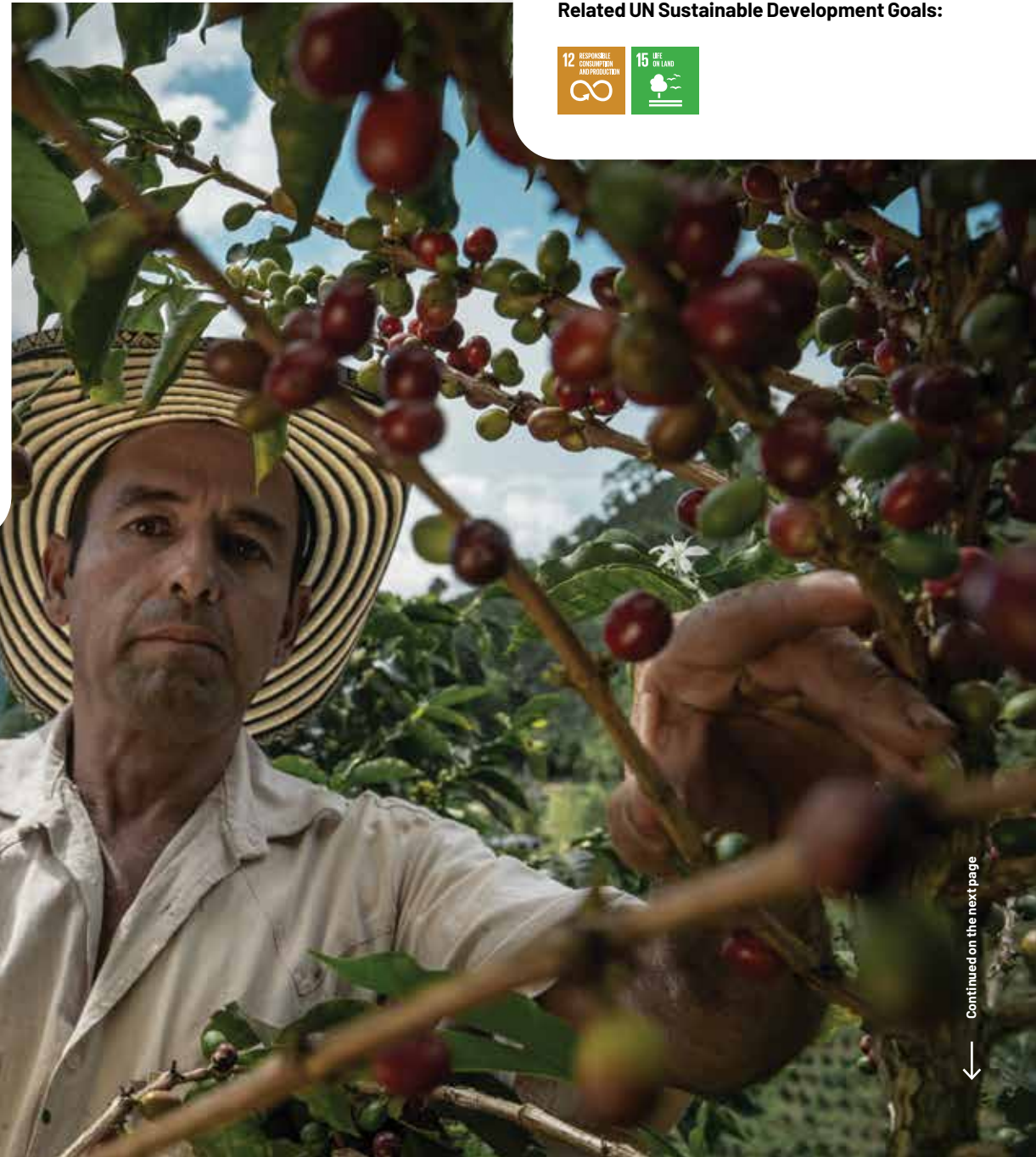
Related UN Sustainable Development Goals:



9. SOURCING SUSTAINABLY

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 helps to make both our planet and our communities safer and better. That means having sound social, ethical and environmental practices and choosing suppliers who share our values.





BEING A BETTER BUSINESS CONTINUED

Our five-year sustainable sourcing plan

During 2021, we devised a five-year strategic plan to make sure that our approach to sourcing ingredients and packaging is as sustainable as our customers would expect. Our plan builds on the progress that we have made in recent years – particularly in the areas of modern slavery, animal welfare and climate change – as well as setting out clearer targets on the issues of deforestation and packaging pollution.

Sustainable sourcing is so important to Greggs and the following three pledges also help to ensure that we are putting in the required effort to really make a difference:

Pledge 5:

Net Zero Carbon – We are improving our understanding of carbon in our supply chain so we can begin to reduce it.

Pledge 7:

Using Less Packaging – We have strict procurement standards for our paper and board packaging and are using less virgin material in our plastic packaging.

Pledge 10:

Protecting Animal Welfare – We have developed a clear roadmap to improve our performance and are now working with our suppliers to raise standards.

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.



IN 2021, WE DEvised A FIVE-YEAR PLAN TO ENSURE OUR APPROACH TO SOURCING INGREDIENTS AND PACKAGING IS AS SUSTAINABLE AS OUR CUSTOMERS WOULD EXPECT.

Tackling modern slavery

We aim to create safer, better communities. Respecting human rights is one of our core values: we believe that our employees deserve the right to live and work with dignity and respect, and we believe that the people employed by our suppliers and business partners deserve the same.

We have zero tolerance for any form of slavery, forced labour or human trafficking in our business or in our supply chain, whether within the UK or overseas. We take steps to ensure that sound social and ethical practices are upheld, as outlined in our Modern Slavery Policy. Every year, we publish a Modern Slavery Statement which explains what we are doing to avoid slavery in our business and supply chain. Both are available on our corporate website.



CASE STUDY

Building on our commitment to Fairtrade

For 17 years, we have sourced all our coffee beans and fruit entirely from Fairtrade accredited suppliers, and over the years we have added apple juice, orange juice, sugar sticks, sugar syrup, hot chocolate, black tea, mint tea and green tea to our Fairtrade commitments. In August 2021, we furthered our commitment and will source 100% of the chocolate used in our products and across our supply chain from Fairtrade accredited suppliers. 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.





BEING A BETTER BUSINESS CONTINUED

Combatting deforestation

We know that certain ingredients are associated with a high risk of deforestation due to clearing land to make space to raise livestock or grow crops.

We have a role to play in protecting and improving forests and woodland and want to ensure that the products we sell have not led to the degradation or conversion of forests into

farmland. Not only is deforestation a contributor to climate change but it also leads to the loss of biodiversity and is linked to the exploitation of workers, indigenous people and local communities.

We are collaborating with our suppliers, a range of non-profit organisations and technical partners to refine and develop our approach. In 2021 we published our Deforestation Policy

which sets out the goal to ensure the products we sell have not led to:

- Deforestation or human-induced forest degradation or conversion
- Loss of other natural ecosystems and areas with a high conversion value
- Exploitation of workers, indigenous people or local communities



Wood-based products: 100% certified sustainable

We only procure paper and board for our own brand packaging from certified sustainably managed forests, as confirmed by either the FSC or PEFC schemes.



Palm oil: 100% RSPO certified sustainable

All declared ingredients which contain palm oil must be RSPO certified. Any liquid or boxed palm oil purchased by Greggs must be fully segregated and RSPO certified.



Supporting our suppliers

We pay our suppliers promptly and offer reduced payment terms of 30 days to our smallest suppliers.

We have made all our existing suppliers aware of our Responsible Sourcing Policy and, when we select a new supplier, we evaluate their environmental, social and ethical performance to ensure they can meet our high standards. As we seek to raise our game, we are collaborating with our suppliers to help raise theirs too.

To ensure we treat suppliers fairly and do not transfer excessive risks and costs onto them that in turn stifle their innovation and growth, further principles are set out within the Greggs Procurement Code of Conduct.



Soy: 100% declarable soy certified sustainable by 2025

We wanted our direct purchases of soy to be 'identity preserved' (meaning we would know exactly where it came from) by the end of 2021 but didn't achieve that. However, we did complete our review of soy across all our ingredients, joined the UK Roundtable on Sustainable Soya (RTSS), and signed up to the UK Soy Manifesto. We have committed to report annually on our new 2025 target to only use certified sustainable soy. Since soy is commonly used to feed livestock, we are working with our meat suppliers to increase their use of responsibly sourced soy.



Beef: 100% of brisket must be reared in UK or Europe

We are now investigating UK/EU sources for corned beef.





BEING A BETTER BUSINESS CONTINUED



10. PROTECTING ANIMAL WELFARE

By 2025, we will secure and maintain Tier 1 in the Business Benchmark on Farm Animal Welfare.

Animal welfare is important to us: we expect all our meat, fish, dairy products and eggs to come from animals that have been well treated.

Our suppliers must meet or exceed 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'.

Related UN Sustainable Development Goals:





BEING A BETTER BUSINESS CONTINUED

Our ambition

We participated in the first Business Benchmark on Farm Animal Welfare in 2012 and have done so ever since. It is the leading global measure for farm animal welfare management, policy commitment, performance and disclosure in food companies. Over the last eight years, we've worked with our suppliers to implement the Greggs Farm Animal Welfare Standards to avoid the abuse or exploitation of animals. As a result, we climbed from Tier 5 in the Benchmark in 2012 to Tier 2 in 2016 – and have held that ever since. Our intention is to take a leadership position on farm animal welfare by improving how we report on welfare measures. Our ambition is to move into Tier 1 by 2025.

Our roadmap

In 2021, we developed a clear roadmap to guide our business to improve our performance to reach Tier 1. This was approved by our Operating Board and a cross-functional working party is now responsible for delivering on our objectives. Day-to-day management of the project is led by our Sustainability and Farm Animal Welfare Manager.

Our priority is to improve welfare standards for the pork and broiler chicken we procure. We want to buy pork from farmers who breed their pigs outdoors, free from confinement and routine mutilations like tail docking. We recognise that chickens need space and time to grow and want to work with suppliers that rear slower growing birds and use a lower stocking density. We are now working in partnership with our core meat suppliers to raise standards over time to fulfil these ambitions.

WE'VE CREATED A ROADMAP TO ACHIEVE A TIER 1 RATING IN THE BUSINESS BENCHMARK ON FARM ANIMAL WELFARE.





Free-range laying hens

Whether we buy them as whole eggs or as a liquid, the eggs we use come from free-range hens. This means hens that spend their lives free from close confinement, including cages, have more freedom to move around and that are given access to an outside range. They are also able to express their normal behaviour including perching and pecking: chickens like to sit at a height and pecking is one of their basic needs.

The benefit of these interventions is seen in both the hens' mental wellbeing and their behaviour. Measurable outcomes include the hens' reactions (to humans, novelty, fear and comfort) and the time they spend expressing normal behaviour like pecking, perching, dustbathing and socialising.

100% of our whole and liquid eggs come from free-range hens.



Reducing stocking density for broiler chickens

Stocking density is the measure used to calculate how much space and freedom a chicken has to move around in. It is measured in kilos per square metre and, the lower the number, the more space they have.

We have set a maximum stocking density of 38kg per square metre which goes beyond EU and UK legislation. We want to go further and are working with our suppliers to increase the proportion reared at 30kg per square metre or less. We report on this figure annually: in 2021, 53% of our broiler chickens were raised at this stocking density or lower. This was lower than in previous years due to supply chain challenges related to Covid-19 but, by 2026, we hope to reach 100%.

In addition to this, we have demonstrated our commitment to improving the welfare of broiler chickens by signing up to the European Chicken Commitment (ECC) which requires slower growing breeds. Slower growing breeds typically have better welfare outcomes such as improved leg health, walking ability and general health and wellbeing.

By 2026, 100% of our broiler chickens will be raised at a stocking density of 30kg/m².



Better conditions for beef and dairy cattle

100% of livestock providing meat, milk and dairy products in our supply chain are reared without growth hormones and stunned before slaughter. For dairy cows, we request that our suppliers avoid tethering, tail docking and rearing in close confinement so they have access to pasture, improving their welfare by allowing them to express normal behaviours.



MARKET TRENDS

GLOBAL TRENDS

We monitor global trends to stay abreast of the changing landscape of sustainability. We listen to our stakeholders through regular and routine formal processes such as our employee opinion survey and customer care hotline, as well as ongoing dialogue with industry bodies, NGOs, and the investor community. This feedback informs our materiality process.

Climate change remains a priority topic. COP26 and February's IPCC report are increasing global awareness of the urgent action required to mitigate and adapt to the impacts of climate change and – as explained in our TCFD statement in our 2021 Annual Report – we are aware that will create risk and opportunities in the future. The development of a UK food strategy is an area we see having a further impact in the near future, and sustainable and healthy food systems will be a key area of focus for us going forward.



KEY TRENDS

Climate Change

As a responsible organisation, we understand the importance of reducing our impact on the climate. We have identified physical risks (such as extreme weather events and longer-term climate shifts) which may impact on agriculture and therefore our suppliers' ability to produce ingredients for us. We also consider transition risks such as costs incurred in shifting to lower carbon fuel sources and changes in customer behaviour – already, we are seeing an increase in consumers moving to lower meat protein diets.

In line with our Net Zero goals and ambition to help make our planet safer, we completed an analysis of our Scope 3 emissions in 2021 and we are now engaging with our supply chain so we can work in partnership to reduce climate risk and emissions. Furthermore, we continue to focus on further reducing our Scope 1 and 2 emissions through working with the market to find technology solutions for our natural gas and fuel usage. One example is our investment in the Balliol National Distribution Centre freezers which resulted in a 30% reduction in emissions compared with our previous freezers. See pages 16–18 for more information on our Net Zero ambition.

Deforestation

We recognise that deforestation causes severe impacts in terms of climate change, biodiversity loss, and agricultural sustainability in certain parts of the world.

As part of our sustainable sourcing strategy, we have identified our key commodities that are associated with deforestation. These are: wood and paper; beef and dairy; soya; and palm oil.

We only use 100% certified sustainable wood and paper for our own brand packaging; 100% of our beef brisket is from animals reared in the UK and Europe and we are investigating European sources for corned beef; all our palm oil is RSPO certified sustainable; and we are signatories to the UK soy manifesto which includes a commitment to use 100% certified sustainable soy by 2025.




Obesity and Diet

We know that obesity is a significant health challenge in the UK and our research shows that our customers want to make changes to their diet to have a positive impact on their health.


In 2021, 32% of our range was a 'healthier choice' meaning it contained fewer than 400 calories and had no reds in the

Food Standards Agency traffic light system for fat, salt and sugar. We continue to build on our vegan range, following the success of the Vegan Sausage Roll in 2019 and our Vegan Steak Bake in 2020. We continue to look for ways to highlight products with wider nutritional benefits and are incentivising healthier choices by inviting our customers to include a fruit pot to their meal deals for just 75 pence.



ALIGNMENT TO THE SUSTAINABLE DEVELOPMENT GOALS

UN SDG	COMMITMENT	2021 PERFORMANCE	GREGGS PLEDGE RELATED GOALS (2025 TARGETS)
 2 ZERO HUNGER	Zero hunger <p>With around 2,200 shops across the UK, we are fully committed to helping build stronger, healthier communities wherever we operate.</p> <p>The sheer 'localness' of our operations and our longstanding relationship with The Greggs Foundation helps us to better understand the needs of our communities and how we are best placed to make a positive impact.</p>	<ul style="list-style-type: none"> Our Breakfast Clubs fed over 44,500 children every school day. The number of Breakfast Clubs supported through the programme grew to 686. We increased our Outlet shop numbers to 20. We donated almost £370,000 from the 2021 profit made by our 20 Outlet shops to local community groups that are working to tackle food poverty and associated issues. We redistributed 28% of all unsold food in our shops. We reduced manufacturing food waste by 31% (as a % of sales). 	<ul style="list-style-type: none"> We will support 1,000 school Breakfast Clubs providing some 70,000 meals each school day. 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. 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.
 3 GOOD HEALTH AND WELL-BEING	Good Health and Wellbeing <p>We are committed to playing our part in improving the nation's diet by helping to tackle obesity.</p> <p>We understand that we have an important role to play in supporting our customers in making informed choices in relation to their diet and look to support this through our products, education and promotions.</p>	<ul style="list-style-type: none"> 32% of our product range is a 'healthier choice'. We have calorie and nutritional information on our shelf ticketing and on our website and Greggs App. We continue to be a signatory to the Peas Please Pledge, helping our customers to consume more veg when eating with us, through our soups and leaf-based meal salads which contain at least one portion of veg, and 50% of our own-brand cold sandwiches provide half a portion. We have made it easier for customers to make healthier choices through the addition of a fruit pot to any meal deal at a reduced price. 	<ul style="list-style-type: none"> 30% of the items on our shelves will be healthier choices, and we will attract customers through education and promotions.
 7 AFFORDABLE AND CLEAN ENERGY	Affordable and clean energy <p>Greggs is committed to becoming a Net Zero business and renewable energy is a key element of our journey to get there.</p> <p>We continue to work with technology specialists to identify opportunities to further increase self-generation.</p>	<ul style="list-style-type: none"> 95% of electricity is from certified renewable sources. Our newly installed freezers at our Balliol National Distribution Centre are significantly more carbon efficient than the previous operation. Photo-voltaic panels are fitted on ten of our major manufacturing and logistic sites. We have completed our Eco-Shop design. 	<ul style="list-style-type: none"> We will be on our way to achieving carbon neutrality by using 100% renewable energy across all of our operations. 25% of our shops will feature elements from our Eco-Shop 'shop of the future' design.


ALIGNMENT TO THE SUSTAINABLE DEVELOPMENT GOALS

UN SDG	COMMITMENT	2021 PERFORMANCE	GREGGS PLEDGE RELATED GOALS (2025 TARGETS)
 Reduced inequalities	<p>Our people are what makes our business successful. We pride ourselves on our culture, creating an environment which is inclusive of everyone. We want our colleagues to feel welcome and to be able to be themselves at work, whatever their background, preferences or beliefs. We recognise that difference is good.</p> <p>With support from EY, we have been assessed against the National Equality Standard and we are currently working towards accreditation.</p>	<ul style="list-style-type: none"> • We are signatories to the British Retail Consortium's Better Job Diversity and Inclusion Charter and the Business in the Community Race at Work Charter. • We are members of the Valuable 500, a global business collective made up of 500 CEOs and their companies, innovating together for disability inclusion. • 85% of our people completed an e-learning module to raise awareness of the importance of diversity. • 95% of our senior and middle management were trained on inclusive leadership and management. • We have introduced additional policies into our policy framework to ensure they are inclusive to everyone. • We have updated our recruitment processes and training to help attract more diverse candidates. • We have created a number of colleague networks to ensure our people can share challenges, opportunities and experiences. Each of these groups has an Operating Board sponsor. • Through our Fresh Start programme, we continued to provide employability workshops, mentoring, mock interviews, interviews, placements and, most importantly, sustainable job opportunities to people who are transitioning into work. This includes care leavers, people who have been unemployed for a long time, or who are leaving the armed services or prison. 	<ul style="list-style-type: none"> • Our workforce will reflect the communities we serve.

ALIGNMENT TO THE SUSTAINABLE DEVELOPMENT GOALS


UN SDG	COMMITMENT	2021 PERFORMANCE	GREGGS PLEDGE RELATED GOALS (2025 TARGETS)
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Responsible Consumption and Production We believe in doing business in a way that helps to make both our planet and our communities safer and better. That means having sound social, ethical and environmental practices, both internally and in our supplier base.	<ul style="list-style-type: none"> • We reduced manufacturing food waste by 31% (as a % of sales). • We published our Deforestation Policy. • We signed up to the UK Soy Manifesto. • We completed a review of soy in all our ingredients. • We joined the Roundtable on Sustainable Soy. • We continue to only use 100% RSPO certified sustainable Palm Oil. 	<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. • We will secure and maintain Tier 1 in the BBFAW Animal Welfare standard.
 13 CLIMATE ACTION	Climate action The climate emergency requires swift, radical action so we have set up a Net Zero Taskforce to challenge the climate impact of every area of our operations and drive action to reduce it. We aim to be Net Zero by 2040 – a decade earlier than the UK Government’s plan for all emissions, including our value chain.	<ul style="list-style-type: none"> • We completed the assessment of our Scope 3 emissions. • We have started to develop our Science-Based Targets. • We reduced our gross location-based carbon intensity by 19.71% against 2020 (18.57% against 2019). • Our newly installed freezers at our Balliol National Distribution Centre are significantly more carbon efficient than the previous operation. 	<ul style="list-style-type: none"> • We will be on our way to achieving carbon neutrality by using 100% renewable energy across all of our operations. • We will be Net Zero by: <ul style="list-style-type: none"> - 2030 (Scope 2) - 2035 (Scope 1) - 2040 (Scope 3) • 25% of our shops will feature elements from our Eco-Shop ‘shop of the future’ design.

ALIGNMENT TO THE SUSTAINABLE DEVELOPMENT GOALS

UN SDG	COMMITMENT	2021 PERFORMANCE	GREGGS PLEDGE RELATED GOALS (2025 TARGETS)
 14 Life below water	<p>Alongside our climate action commitments, we understand the impact that packaging has on life below water. The impacts of plastic in the marine environment are already clear to see across the globe. This is why we have looked to reduce plastic in our operations whilst also making it easier for our customers to recycle packaging correctly through the use of On Pack Recycling Scheme (OPRL) infographics.</p> <p>We also recognise the importance of using sustainable fishing methods to ensure fish stocks are managed, as well as reducing the risk to other species as a result of fishing methods.</p>	<ul style="list-style-type: none"> • Our own brand drinks bottles have over 50% recycled content. • We have included coffee cup recycling in the design of our Eco-Shop. • We are members of the On Pack Recycling Label Scheme (OPRL). • We offer a 20 pence reduction to the cost of hot drinks if the customer uses a reusable cup. • We are members of the Refill UK scheme allowing customers to refill their water bottles for free in our shops. • We only use responsibly sourced skipjack tuna in our products. • All tuna is FAD free or 'pole and line'. 	<ul style="list-style-type: none"> • We will 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 a robust, responsible sourcing strategy in place and will report annually on progress towards our targets.



ALIGNMENT TO THE SUSTAINABLE DEVELOPMENT GOALS

UN SDG	COMMITMENT	2021 PERFORMANCE	GREGGS PLEDGE RELATED GOALS (2025 TARGETS)
	<p>Life on land</p> <p>We believe in doing business in a way that helps to make both our planet and our communities safer and better. That means having sound social, ethical and environmental practices and choosing suppliers who share our values. We have devised our 5-year strategic plan to ensure our approach to sourcing is as sustainable as possible.</p> <p>We are committed to preventing deforestation and use only 100% sustainable palm oil, all the paper and cardboard we use for our own brand packaging comes from sustainable sources (as certified by PEFC or FSC) and we are signatories to the UK Soy manifesto, working alongside other retailers to ensure the use of soy in our operations and our ingredients is from certified sustainable sourcing.</p> <p>We expect all of our meat, fish, dairy products and eggs to come from animals that have been well treated and our suppliers must meet or exceed 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'.</p> <p>We are currently Tier 2 in the Business Benchmark in Farm Animal Welfare and have developed our roadmap to be maintaining Tier 1 by 2025.</p>	<ul style="list-style-type: none"> • We have published our Deforestation Policy. • 100% of our Palm Oil comes from RSPO certified sources. • 100% of our Paper and Board we use for our own brand packaging comes from certified sustainable sources. • We maintained Tier 2 on the Business Benchmark on Farm Animal Welfare standard and developed our roadmap to be achieve and maintain Tier 1 by 2025. • 100% of our whole and liquid eggs come from free-range hens. • 100% of livestock providing meat, milk and dairy products are reared without growth hormones and are stunned before slaughter. 	<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. • We will secure and maintain Tier 1 in the BBAW Animal Welfare standard.