

Fuelled by freshness

# Investor ESG Briefing

Tuesday 18 April 2023





# Welcome and introduction

Patrick Coveney, Group CEO

# Agenda

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## Welcome and introduction

- Patrick Coveney, Group CEO

## Our sustainability journey

- Sarah John, Corporate Affairs Director

## Our net zero roadmap

- Verity Lawson, Group Head of Sustainability

## Sustainable value creation

- Sukh Tiwana, Chief Procurement Officer

## Panel discussion and Q&A

Facilitated by Sarah Roff, Group Head of Investor Relations, with:

- Michael Svagdis, CEO North America
- Jeremy Fennell, CEO Continental Europe
- Mark Angela, Chief Business Development & Strategy Officer and CEO of India and EEME

## Q&A



# Our strategy for delivering long-term sustainable growth and returns



## Leading customer proposition

- Leading brands and innovative concepts
- Great value, taste, quality and service
- Digital customer solutions
- Long-term, mutually beneficial client relationships

## Long-term growth and returns

- New business development
- Like-for-like revenue growth
- Profit conversion
- Cash flow generation

## Skilled and engaged colleagues

- Attraction and retention
- Inclusion and engagement
- Training and development
- Safety and wellbeing

## Sustainability

- Serving our customers responsibly
- Protecting our environment
- Supporting our colleagues and communities
- Upholding high standards of governance



## Embedding sustainability

# Purpose not compliance

- Reimagining food for people and the planet
- Developing sustainable propositions
- Positioning SSP as a sustainable partner of choice for clients and brands





# Our sustainability journey

Sarah John, Corporate Affairs Director

# Delivering sustainable value for our stakeholders



1. Based on data from our 2022 Customer Survey covering 25 markets, 77 locations and 18,000 customers

# Our sustainability journey

## DEFINING

- Material issues for our business and stakeholders
- Strategic priorities, targets and metrics

## DEVELOPING

- Governance, skills and capabilities
- Action plans and net zero roadmap
- Reporting and transparency

## DELIVERING

- Tangible progress against targets
- Validation of science-based targets
- Collaborations and partnerships



“ Sustainability is an all-board responsibility and a key item on the Board’s agenda. We continue to challenge SSP’s approach, monitor sustainability risks and impacts, and embed sustainability factors and stakeholder views into our decision-making.”

**Mike Clasper, Chair of SSP plc**



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



# Our strategic focus areas



## PRODUCT

Serving our customers responsibly



- Offering healthier lifestyle choices and satisfying dietary needs
- Sourcing our ingredients and products responsibly and sustainably
- Supporting animal welfare



## PLANET

Protecting our environment



- Pursuing net zero carbon emissions
- Reducing, reusing and recycling our packaging
- Reducing food waste



## PEOPLE











Supporting our colleagues and communities



- Treating all our colleagues with care and respect
- Promoting and protecting safety and wellbeing
- Embracing diversity and protecting human rights
- Supporting our communities

**Upholding high standards of governance**

# Our progress against targets

Focus areas		Target	Progress by end 2022	Target
 <b>Healthier lifestyle choices</b>	<b>By 2025, 30%</b> of own brand meals to be plant-based or vegetarian	33%	30%	
	<b>By 2025, 100%</b> of own brand coffee units in North America, Europe and UK&I offering non-dairy milk alternatives	85%	100%	
 <b>Responsible and sustainable sourcing</b>	<b>By 2025, 100%</b> of contracted suppliers signed-up to our Ethical Trade Code of Conduct	64%	100%	
	<b>By 2025, 100%</b> of own brand tea, coffee and hot chocolate certified	67%	100%	
	<b>By 2025, 100%</b> of own brand fish/seafood certified	52%	100%	
	<b>Each year, 100%</b> of top 50 own brand products with certified palm oil or palm-oil free	96%	100%	
 <b>Farm animal welfare</b>	<b>By 2025, 100%</b> of European contracted suppliers signed-up to our Animal Welfare Policy	86%	100%	
	<b>By 2025, 100%</b> of own brand eggs from cage-free sources	34%	100%	
 <b>Net zero carbon emissions</b>	<b>By 2040, net zero</b> carbon emissions (Scopes 1,2 and 3) % reduction in Scope 1 and 2 CO2e emissions (vs 2019 baseline)	36%	100%	
 <b>Sustainable packaging</b>	<b>By 2025, 100%</b> of own brand packaging free of unnecessary single-use plastic	80%	100%	
	<b>By 2025, 100%</b> of own brand packaging recyclable, reusable or compostable	85%	100%	
 <b>Food waste reduction</b>	<b>Number</b> of bags of food saved from waste via Too Good To Go	+540,000	N/A	
	<b>By 2025, 100%</b> of own brand units sending waste cooking oil for recycling	96%	100%	
	<b>By 2025, 50%</b> of own brand coffee units diverting waste coffee grounds from landfill	48%	50%	
 <b>Colleague engagement</b>	<b>Each year, improve</b> the positivity score in our global colleague engagement survey	76%	N/A	
 <b>Diversity, equity and inclusion</b>	<b>By 2025, 40%</b> female representation on our Board of Directors	50%	40%	
	<b>By 2025, 33%</b> female representation in senior leadership roles	36%	33%	
 <b>Human rights</b>	<b>Each year, 100%</b> of senior managers completed modern slavery training	100%	100%	
 <b>Community support</b>	<b>By 2025, all divisions</b> to have a charity partnership in place	27	36	



# Our net zero roadmap

Verity Lawson, Group Head of Sustainability

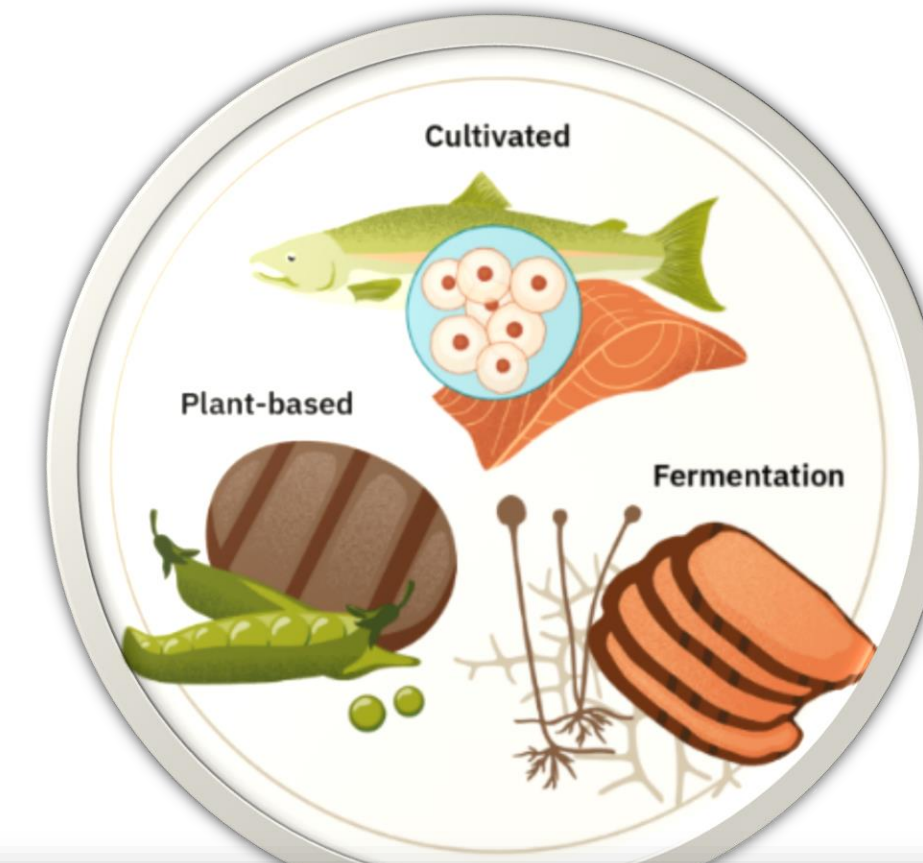
# Net Zero in the food sector

## CURRENT CHALLENGES

IPCC estimates that global food production is responsible for up to **19.1 billion tonnes** of GHG emissions per year – **c.37%** of global total emissions



## FUTURE OPPORTUNITIES



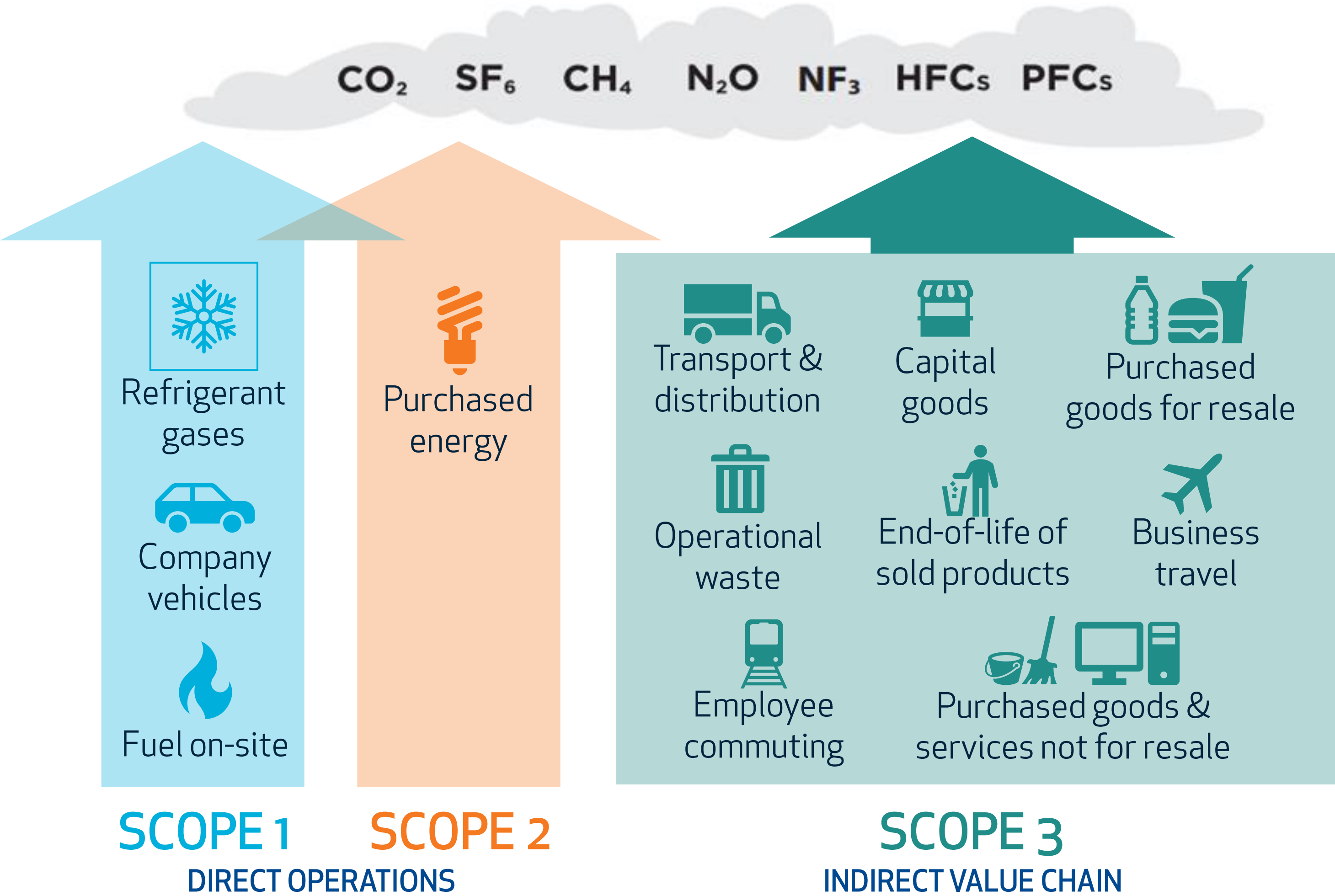
EU approves first methane-busting feed additive for cattle



The Planetary Health Plate



# What does Net Zero mean for us?



REDUCE absolute GHG emissions produced across Scopes 1-3 by *at least 90%*



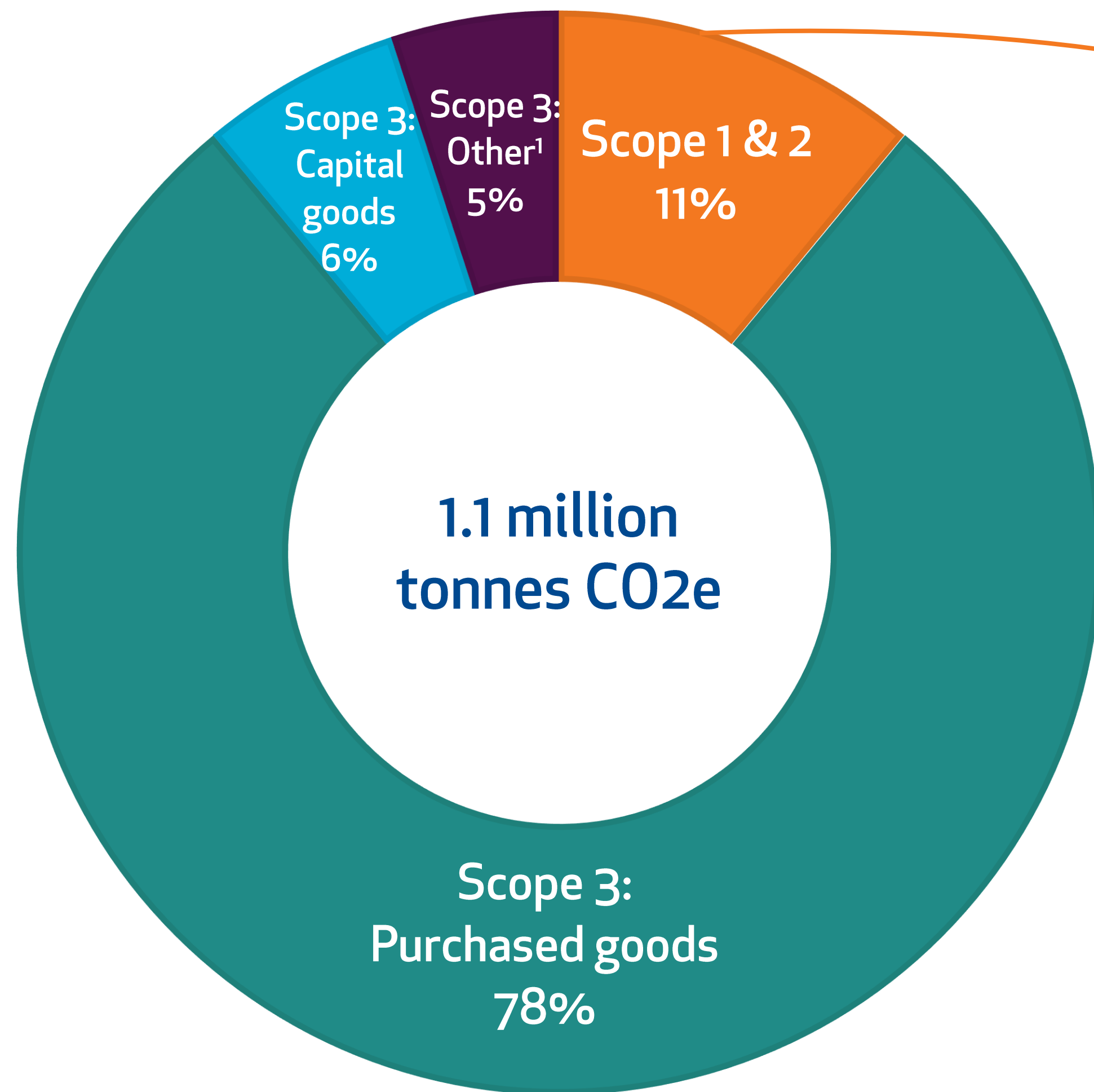
REMOVE residual 10% GHG emissions from the atmosphere



**NET ZERO balance**

The Net-Zero Standard - Science Based Targets Initiative (SBTi)

# Our global carbon footprint (2019 baseline)

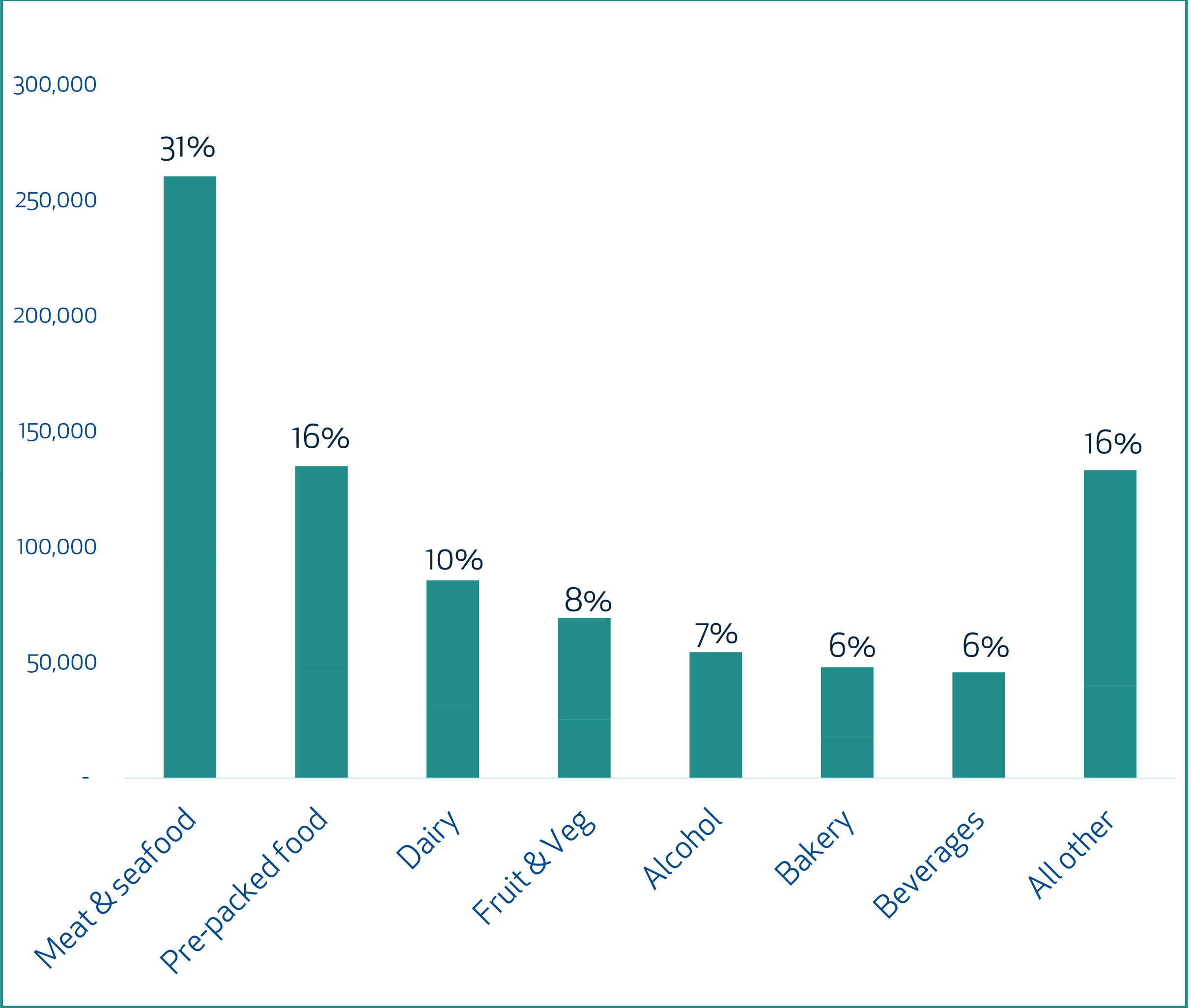
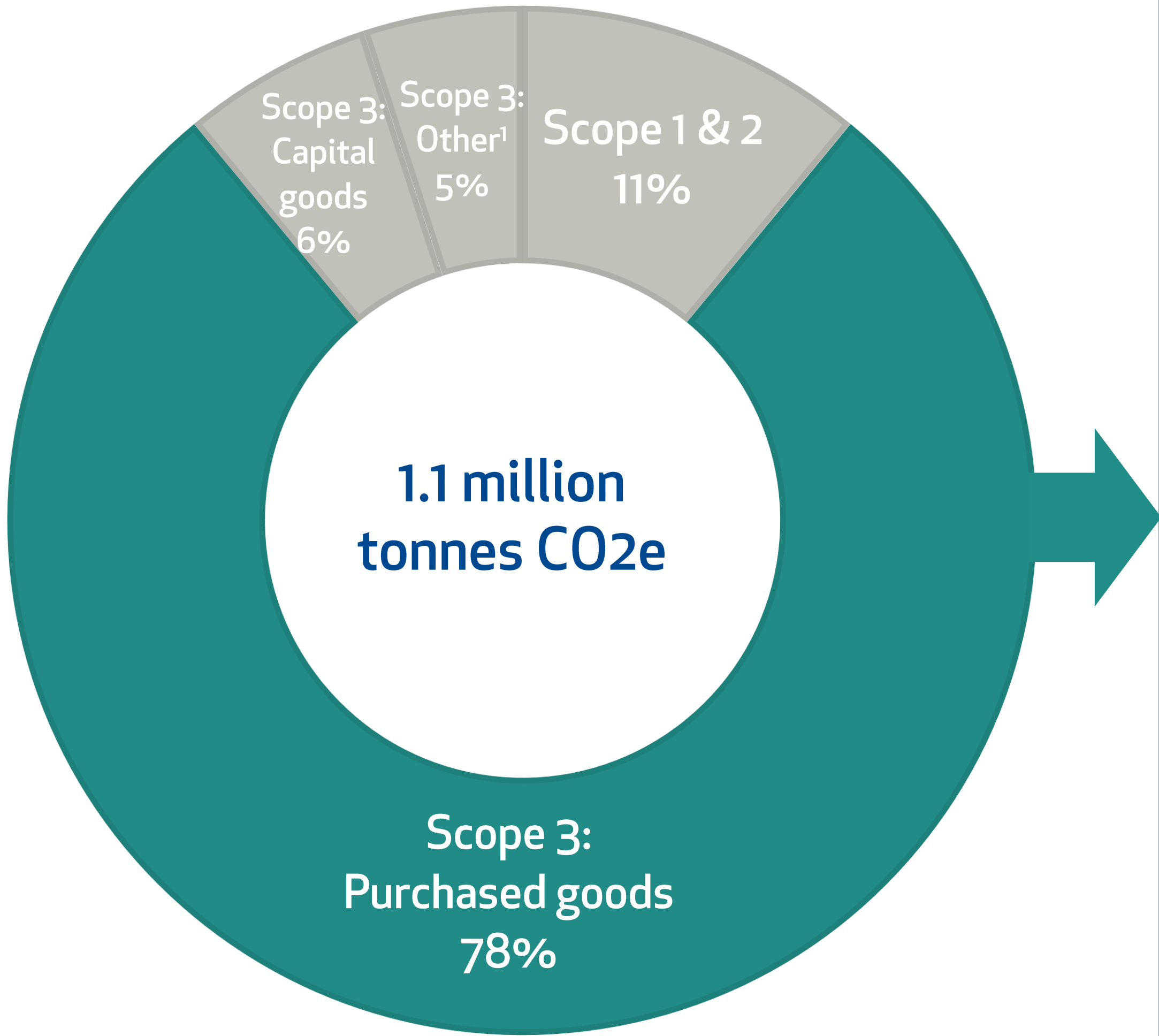


**Scope 1 & 2**  
**↓36%**  
reduction achieved by 2022  
(vs 2019 baseline)

**Intensity**  
**0.4kg**  
CO2e per £ revenue

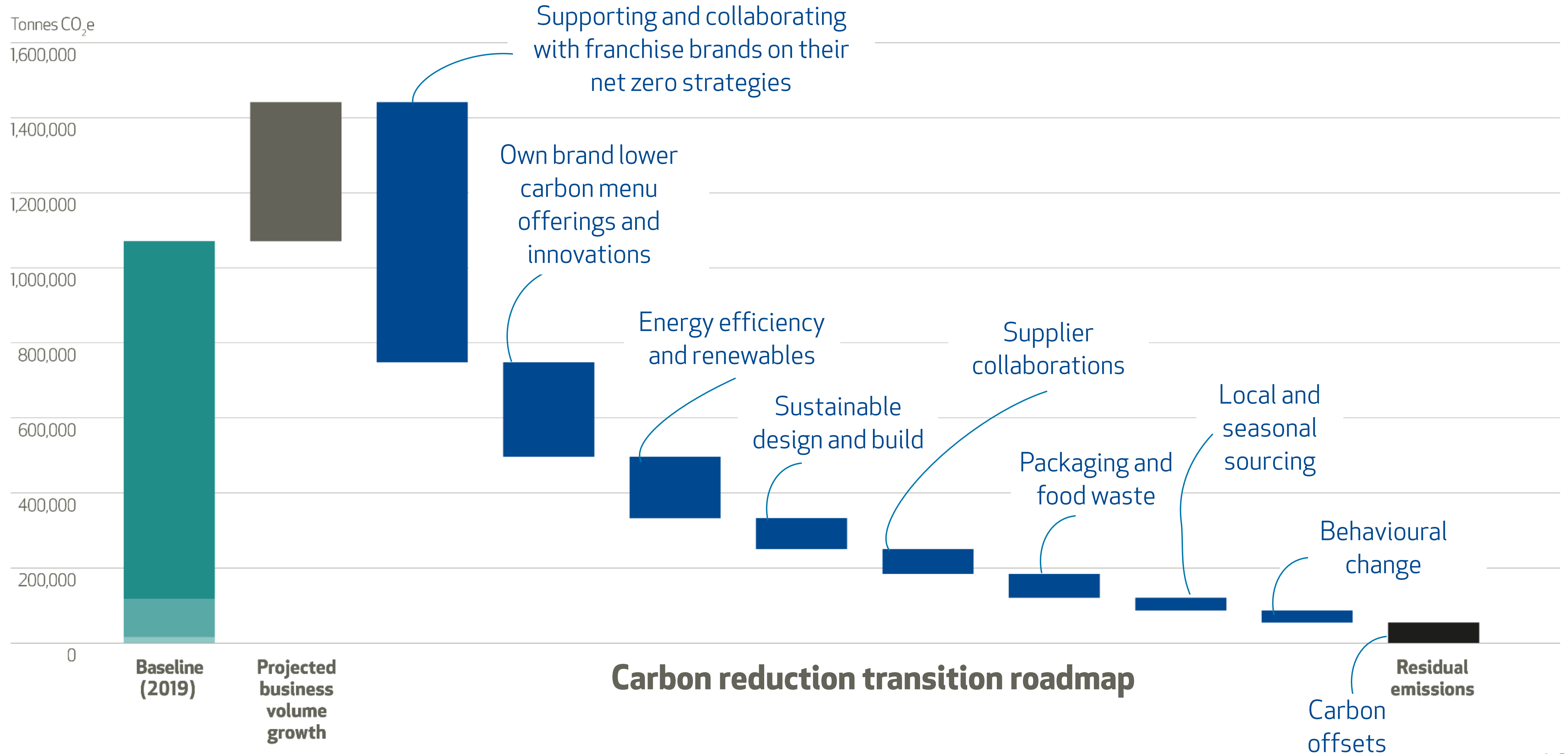
1. Other is comprised of: Scope 3 - Fuel and energy-related activities (1.8%), Purchased goods and services not for re-sale (1.3%), End of life treatment of sold products (0.9%), Waste generated in operations (0.5%), Employee commuting (0.5%), Upstream transportation and distribution (0.2%) and Downstream leased assets (0.2%)

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# Our Net Zero roadmap, aligned to a 1.5C pathway





# Our Net Zero Strategy: Food & Beverage

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# Our Net Zero Strategy: Food & Beverage



## LOCAL AND SEASONAL SOURCING



## LEVERAGE WORK OF SUPPLIERS AND BRAND PARTNERS

Burger King supports farmers in reducing emissions under new partnership

Starbucks to work directly with farmers to help reduce emissions

Bidfood commits to science-based net zero target



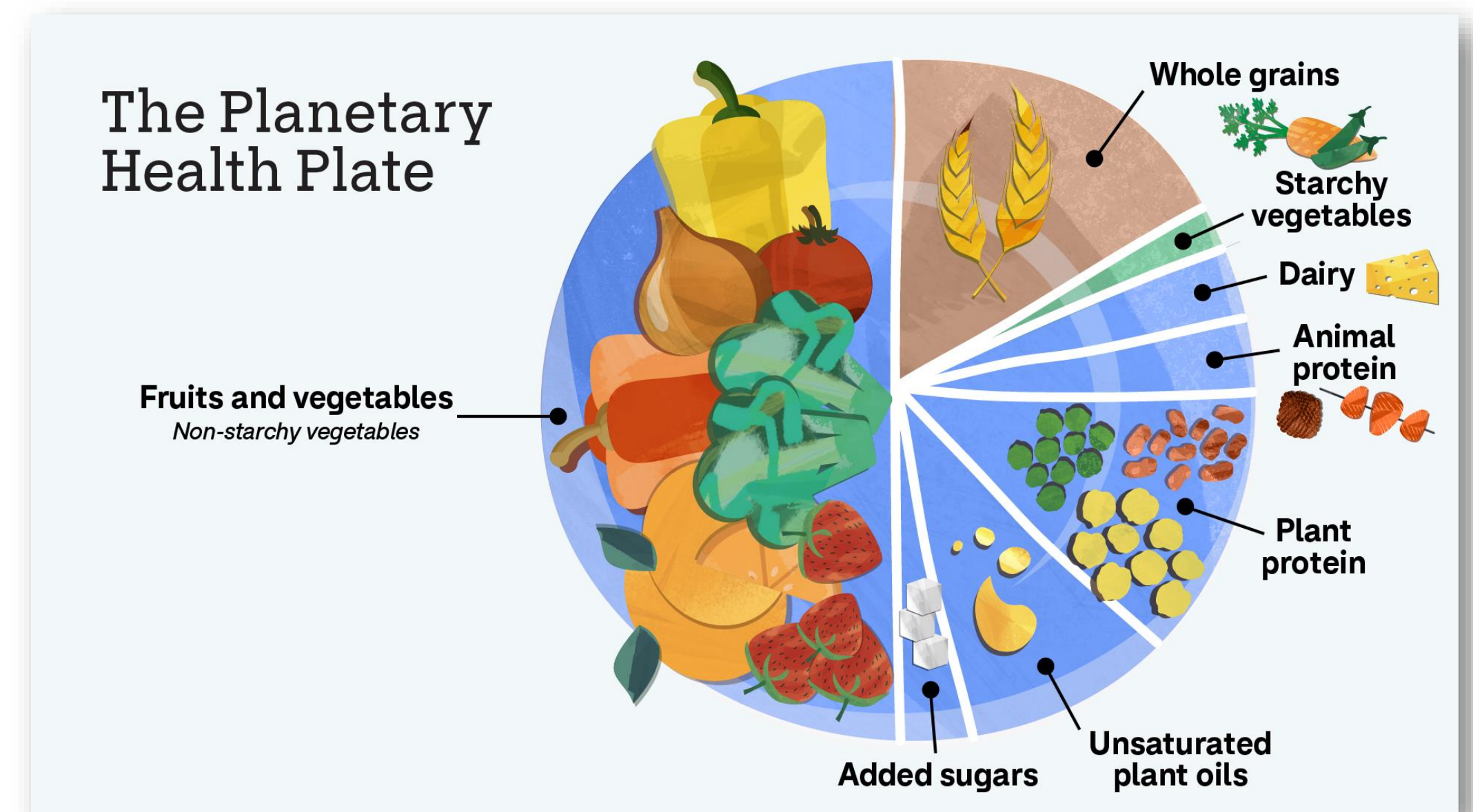
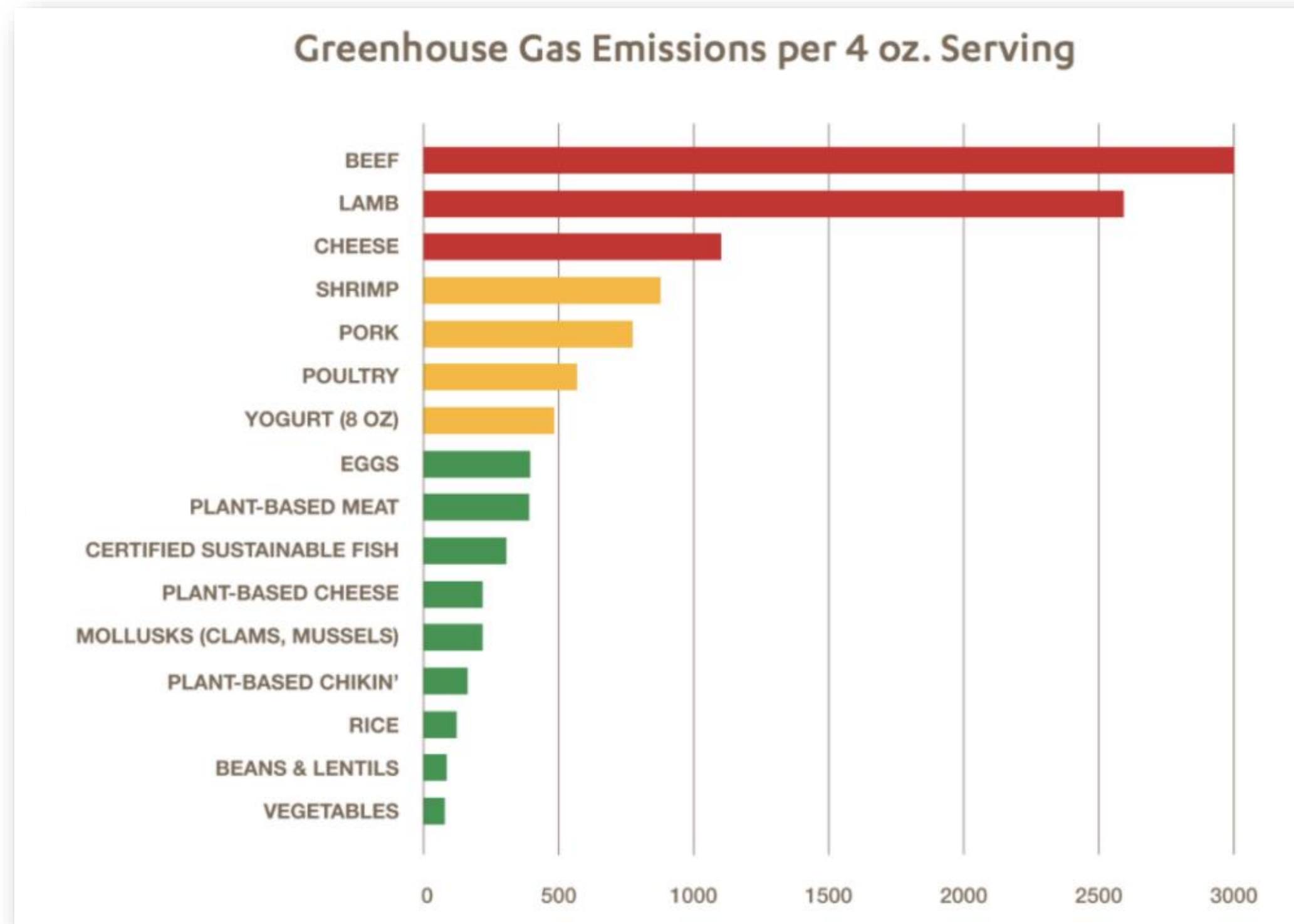
## CERTIFIED SUSTAINABLE INGREDIENTS



# Our Net Zero Strategy: Food & Beverage



## SMART RECIPE DESIGN



# Our Net Zero Strategy: Food & Beverage



**BALANCED MENUS AND SIGNPOSTING TO ENCOURAGE CUSTOMERS TO MAKE HEALTHIER AND MORE SUSTAINABLE CHOICES**

## Nordics 'Better Choice' range





## LaGuardia Airport, Queens, NYC

Breakfast <small>until 10:30am</small>	
<b>BACON, EGG &amp; CHEESE PIZZA</b> 16.99 Bacon, eggs, Boursin and Parmesan	<b>FRENCH TOAST</b> 15.99 Coconut milk brioche french toast, caramelized banana and maple syrup
<b>FRITTATA PANINI</b> 13.99 Italian sausage frittata and Parmesan on ciabatta served with home fries	<b>EGGS ANY STYLE</b> 14.99 Two eggs, bacon, home fries and toast
Soup & Salad	
<b>CAESAR SALAD</b> 14.99 ADD CHICKEN +7 Romaine & kale tossed with house-made Caesar dressing, Parmesan and croutons	<b>Pizza</b>
<b>CHICKEN SOUP</b> 11.99 Chicken, carrots, onions, escarole and Parmesan served with garlic bread	<b>PROSCIUTTO</b> 17.99 Prosciutto, Parmesan, Boursin and arugula
<b>TOMATO SALAD</b> 14.99 Beefsteak tomato, burrata, basil and balsamic reduction	<b>MARGHERITA</b> 14.99 Fresh mozzarella, Parmesan, basil and tomato sauce
<b>TRI-COLOR SALAD</b> 13.99 Iceberg, radicchio, arugula, feta, red onions, cucumbers, grape tomatoes, scallions, Kalamata olives, hearts of palm, chives and oregano vinaigrette	<b>PEPPERONI</b> 15.99 Pepperoni, fresh mozzarella and tomato sauce
Pasta	
<b>SAUSAGE &amp; BROCCOLI RABE ORECCHIETTE</b> 21.99 Orecchiette with Italian sausage and broccoli rabe	<b>Panini</b> Served with fries or side salad
<b>RIGATONI ALLA VODKA</b> 19.99 Rigatoni tossed in vodka sauce, grated Parmesan and topped with basil breadcrumbs	<b>PORTOBELLO PANINI</b> 19.99 Grilled portobello mushrooms & red onions, Boursin, arugula and basil pesto on ciabatta with a side of pepperoncini
<b>DESSERT</b>	<b>PROSCIUTTO PANINI</b> 19.99 Thinly sliced prosciutto, fresh mozzarella, Boursin, basil pesto and arugula on ciabatta with a side of pepperoncini
<b>CANNOLI</b> 9.99	<b>TURKEY PANINI</b> 18.99 Shaved turkey, pancetta, aged white cheddar and tomato on ciabatta with a side of pepperoncini
	<b>MULBERRY STREET BURGER</b> 18.99 LaFrieda beef patty, aged white cheddar, arugula and pickles on a brioche bun with a side of pepperoncini

## Appealing menu descriptors

 Vegetarian lasagne

 Truffle-infused wild mushroom and spinach lasagne

 Vegetarian  ≤600 Calories

# Our Net Zero Strategy: Food & Beverage



GROWING OUR PORTFOLIO OF OWN BRANDS



GROWING OUR PORTFOLIO OF PARTNER BRANDS





# Sustainable value creation

Sukh Tiwana, Chief Procurement Officer

# Optimising energy efficiency



**People:** enabling energy-saving behaviours



**Planet:** minimising carbon emissions in pursuit of net-zero



**Profit:** drives significant cost efficiencies for our business

## By end 2022:

**31% reduction in total energy use** (vs 2019 baseline), contributing to a 36% reduction in Scope 1 and 2 emissions

- Improving data quality, with fewer estimations
- Switching to more energy efficient equipment, including LED lighting
- Implementing smart building management systems with automated opening / closing procedures, better regulating temperatures (e.g. chillers, heaters) etc.
- Driving energy-saving behaviour change among our colleagues

## From 2023:

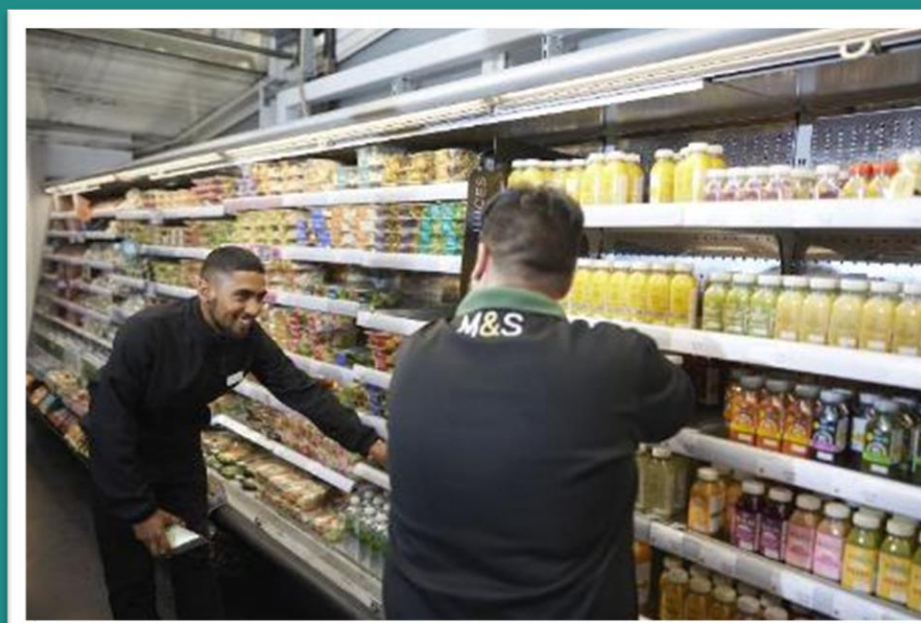
**Automated Meter Reader (AMR)** system global roll-out



- **1/2 hourly** meter readings, with detailed data analytics and diagnostic reports
- **10% average reduction** in energy shown in UK trials where AMRs have been introduced
- **2-year payback** expected to be achieved



## Case study: Results of UK AMR trial at M&S Euston Station



- **Identification:** high energy use when the unit was closed overnight
- **Investigation:** night curtains on chillers were not being properly deployed
- **Action:** re-trained staff on closing procedures and proper use of night curtains on chillers
- **Impact:** 18% reduction in energy use

# Designing smart recipes



**Product:** creating great tasting, healthier dishes for our customers



**Planet:** using lower impact ingredients and reducing waste



**Profit:** driving cost efficiencies for our business

## Wonky

Utilise imperfect fruit, veg and other ingredients that otherwise would be wasted



## Seasonal

Utilise seasonal ingredients that reduce food miles and enhance taste

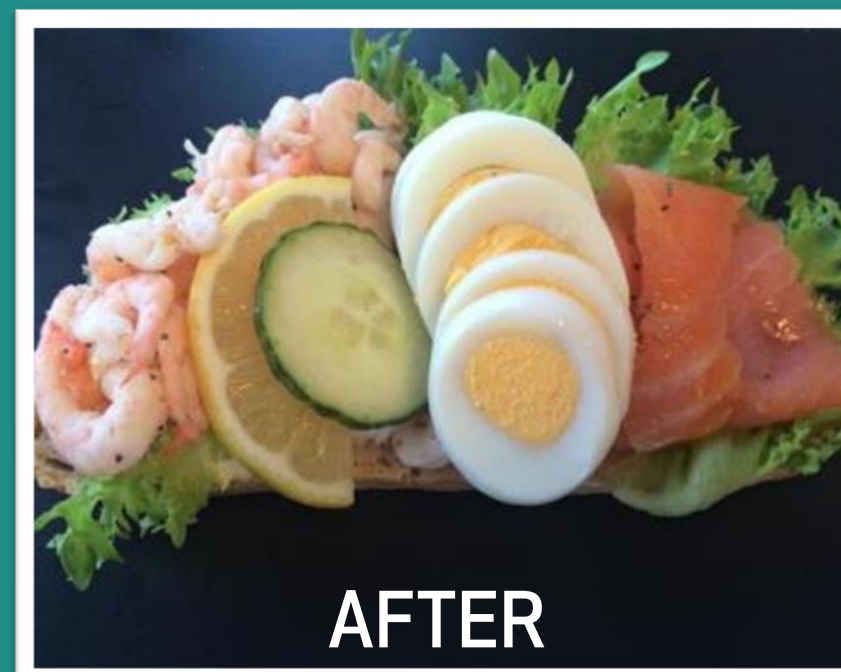


## Repurposed

Repurposing good quality ingredients and trimmings that would otherwise be wasted



## Case study: Nordics prawn sandwich reformulation



→ Reduced the amount of prawns and added smoked salmon, egg and spinach resulting in:



Better tasting and more nutritionally balanced



Reduced own-brand F&B emissions in the Nordics by c.1%



More cost effective for our business



# Utilising lower impact cleaning products



**Product:** safe products with the lowest hazard classifications



**Planet:** reduces CO<sub>2</sub>e and other environmental impacts



**Profit:** more cost effective for our business

- Successful UK trial in 2022 of new plant-based cleaning products
- Now in process of rolling-out implementation, starting with our Europe region



**28%**  
reduction in CO<sub>2</sub>e emissions vs traditional products

**c.9%**  
cost savings for our business

**100%**  
biodegradable<sup>1</sup>

# Working in partnership with Too Good To Go



**Product:** access to great quality food at lower prices



**Planet:** reduces food waste and CO<sub>2</sub>e emissions



**Profit:** generates income from food that would otherwise be wasted



- The world's largest food saving app
- Connects customers to our units that have unsold food surplus at the end of the day
- Food is placed into 'Magic Bags' that customers buy through the app at a reduced price

By end 2022:

**11**

markets  
live

**+540k**

bags of food saved  
from waste

**1,362**

CO<sub>2</sub>e emissions  
avoided<sup>1</sup>



# Panel discussion

Facilitated by **Sarah Roff**, Group Head of Investor Relations, with:

- **Michael Svagdis**, CEO North America
- **Jeremy Fennell**, CEO Continental Europe
- **Mark Angela**, Chief Business Development & Strategy Officer and CEO of India & EEME



**Q&A**