RESTAURANT ASSOCIATES



How your workplace food and beverage proposition can enhance your ESG credentials

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01.

ESG in the workplace - what it means for your business



ESG (Environmental, Social, and Governance) is a strategic framework for businesses to identify, measure and report on their objectives and activities that fall within the environmental, social and governance criteria.

Whilst not a new concept, over the last 24 months, businesses are are increasingly being scrutinised for their ability to drive and shape green policy changes that promote a positive environment for their workforce.



"As a predictor of business longevity, ESG criteria have become the secret sauce investors turn to for creating a sustainable investment portfolio." - Greenly Resources

Successful performance and strong ESG ratings are now directly linked with competitive advantage in the market and greater business longevity and growth. With this, several global companies and professional services firms are being given explicit requests from their investors or shareholders to disclose companywide ESG information on an annual basis to promote and entice future investors, but also as a recruitment tool.

ESG as a Workforce Strategy

<u>MSCI Inc's</u> ESG data indicates if you have strong ESG credentials then you are optimizing your competitive advantage. It has an impact on not only attracting employees who are enthusiastic but also retaining employees and ensuring they are satisfied.

"Companies most attractive to students and young professionals have ESG scores 25% higher than the global average"

"Young people see environmental and societal risks as more impactful than business and societal leaders do. 4% of Millennials are speaking up to support or criticize their employer's actions on societal issues"

"40% of Millennials having accepted one job offer over another because that company was environmentally sustainable"

Given that suppliers account for around two-thirds of your ESG footprint, how are you encouraging your suppliers to become more sustainable?



The Gen Z Shift

Forbes discovered that 62% of Generation Z prefer to purchase from sustainable brands and are willing to pay more for ethically produced goods, proving their influence and power!



02.

The Gen Z Shift

Traditionally, and across previous generations, employees required their workplace to be a 'clean,' and professional environment where they would come to get their job done, with nothing more or nothing less.

However, businesses, particularly in London, will now be facing what we call 'The Gen Z Shift'...

Who are Gen ??



Gen Z is the term given to the current generation of young people and relates to those born between 1996 and 2010. They are soon to become the largest proportion of your workforce.

By 2029 they will make up 72% of the world's workforce.

The younger end of the talent base seek out purpose-driven businesses, generating higher levels of attraction, engagement, and retention for those companies who get this right.

They feed off their surroundings offering the scope to create collaborative working spaces which build a community.

The lines between work and social interactions blur.

They are the generation who have grown up with more access to information than any generation before them and that information is accessible at the touch of a button.

They are tech-savvy and have an 8-second attention span.

What does all this mean for you as an employer?

We have identified the following difficulties that employers face today:

- 1) Attraction and retention of talent
- 2) Hybrid/flexible working getting employees to return to the office voluntarily
- 3) Social and economic pressures of sustainability goals and commitments4) Inflation and the cost of living

By connecting your challenges, with the demands of Gen Z you will be setting yourself up for success.

ESG

To win the hearts of Gen Z, companies must demonstrate their commitment to improving societal issues such as sustainability, climate change and poverty.

They are known for being 'generation green' and 85% of Gen Z survey respondents agreed that employers should be held accountable over social responsibility, sustainability issues and climate change.

'Greener' 'convenience ranks as one of the top driving forces behind Gen Z's decision-making process, with 2 in 5 claiming they would reject a job if the organisation didn't hold and demonstrate strong digital, environmental, and societal values.

They seek purposeful roles and want to get involved with creating change, as empowerment is key, so let them take charge and get involved with your ESG strategy.

As a workforce strategy, ESG has become a competitive advantage in attracting and retaining talent; numerous studies have shown that, when weighing up potential employers, they are hugely influenced by how a business responds to and approaches social issues.

"I want a company that fits with my values"

Food & ESG

When it comes to the food and beverage (F&B) that Gen Ξ consumes, 77% say they will seek for local products and Climate Net Zero message to guarantee that what they buy is helping a broader cause, and that they would turn to their workplace spaces to support this larger goal.

The office atmosphere is more important to Generation Ξ than it was to previous generations, who saw their workplace as a place to get a job done and then depart.

F&B/Collaborative spaces

Gen Z view the workplace as a social space where they can collaborate and relax, in addition to carrying out their daily working routine.

Over 80% reported social and communal areas are important to them in the workplace.

Businesses need to focus on creating these collaborative spaces which build a community and allow for not only work conversations but social interaction as well.

Creating the right space, through the introduction of F&B programmes, food events, and digital innovation and technology to create a seamless experience is an excellent method to increase foot traffic in your office space.

Events & the F&B experience Gen Z expect



Last year, 71% of street food sales came from Gen 7.

The appeal of street food arises from two factors: flavour and variety. For this generation, a little creativity goes a long way, which is why Street Food excites their taste buds!



With 60% of employees reporting that they now expect food occasions and events from their employer

The need to introduce and offer varied and exciting food experiences and pop ups is paramount to meeting the workplace demands of Gen Z, to keep them happy, but also to entice them into the office.

Digital Innovation

Gen Z grew up with the iPhone. Using technology to get what they want through an app, at pace is their norm.

Food and Beverage will be a key growth driver for 2023 as businesses ensure purchasing F & B is as convenient, digital and exciting as possible.

Digital technology really is at the heart of your employees' experiences.



"Digital has become a must have for this demographic when it comes to purchasing food and drink. They want to be able to pre order, click and collect, arrange deliveries and view menus via an app or kiosk"

03.

A food offer built on ESG principles that aligns with the Gen Z shift

The climate emergency is the biggest challenge of our lifetime and food has a key role to play in global emissions.

Whilst many businesses embark on their ESG journey, at Restaurant Associates our ESG framework is the foundation our brand was built on.

We are passionate about doing the right things for our environment and our communities, all while making it easier for our guests to make the planet-friendly, sustainable, or socially impactful choices they are seeking.

Not only that, but with suppliers accounting for two-thirds of ESG for their partners, we know, that as a supplier, we have a duty to contribute two-thirds of positive impact, rather than negative.

When we think of what makes up a food offer, we look at several components.

- The environmental
- The social
- The demands of the consumer

Through our partnerships with purpose, we utilise our industry experts and insights to design partnerships that appeal to our market and its evolving Gen Z workplace and their habits and expectations.

The Environmental

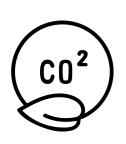


In 2022 Restaurant Associates were awarded the Sustainable Restaurant Associations (SRA) highest rating of 3 stars.

To accelerate change towards an environmentally restorative and socially progressive hospitality sector, the SRA works with business across foodservice and industry bodies.

The rating is the largest and most comprehensive sustainability audit for the Food Service Business, and it allows businesses to take a 360 view of their actions and validate, benchmark and set goals for the future.

Key contributors to this award including:



Our work with the University of Oxford LEAP (Livestock, Environment and People) Project, where we have created environmental impact labelling to assist our consumers in making sustainable and healthy informed choices. Our eco labels are colour coded like a traffic light to show you the environmental impact of your meal based on the health, environmental, social, and economic effects of meat and dairy production and it's consumption.

Our detailed commitment and roadmap to becoming climate net zero by 2030, 20 years ahead of the UK government, and far exceeding our peers. Our target is to reach Climate Net Zero emissions by 2030 in the right way, whilst remaining dedicated to helping people live healthier, happier, and more productive lives.





The recent reshaping of our supply chain to ensure that 90% of our fresh produce is sourced locally and hyper locally.

The introduction of energy efficient equipment and technologies.



We are committed to curbing our waste impact and driving circularity, by eliminating single use plastics from our products and moving to 100% recyclable and reusable packaging by 2023, and halving food waste by 2025 - Luxey Dayanadan, Head of Wellness and Sustainability

The Environmental & The Social



While providing employees with low carbon meals is the ideal choice, buying some meat products and even CPU manufactured plant-based foods may still be tied to a higher carbon footprint owing poor production practices and regional disparities.

That's why our purpose-driven relationships have enabled us to bring to life industry-leading projects for our partners that not only align with their beliefs but also help them reduce their environmental footprint and 'do some good' in their communities.

Here are just a few in more detail:

Refettorio Felix

Restaurant Associates have assisted Refettorio Felix for over four years, serving up 1,280 kilos of food to 1,000 vulnerable people that would otherwise be destined for landfill.

We also support Refettorio Felix in designing 'Step Up to The Plate' which helps individuals at the centre to learn more about nutrition, cooking and encourages a pre-employability programme for those potentially interested in working in hospitality.

The Felix Project

The Felix Project is a food redistribution charity in London fighting food waste and hunger. They rescue good, surplus food from the food industry that cannot be sold and would otherwise go to waste. They collect or receive food from over 539 suppliers, including from some of our Restaurant Associates partners' sites.

This food is then sorted and delivered to almost 1000 front-line charities, primary schools and holiday programmes in London. That way, food that would have gone to waste is reaching vulnerable homeless people with mental health or those who simply cannot afford to buy regular, healthy food.

Proud partners of Fareshare, the biggest food bank operation of its kind in the UK.

They take good quality surplus food and get it to more than 10,500 frontline charities and community groups.

The Demands of the Consumer

Incredible cuisine is at the heart of Restaurant Associates as specialists in workplace dining. We understand how vital it is for employees to feel valued and nourished, and how providing an enticing range of high-quality cuisines can help enhance your employees' productivity.

The biggest impact we can make is with the ingredients we buy and the menus we offer our partners. Centrally we develop programmes and promotions that encourage and support you in achieving your sustainability goals.



Menus for change

Eco-labelling

We understand the health, environmental, social and economic effects of meat and dairy production and consumption, so we can promote healthy and sustainable options to our customers. One way to help employees make more sustainable food choices is through environmental impact labelling: eco-labelling.

Our EAT TEN range has been calculated by our fellow researchers at the University of Oxford LEAP Project to show the environmental impact of our food. Our eco-labels are colourcoded like a traffic light to show you the environmental impact of your meal. Foods with a label value of 'A' indicate a low environmental impact.



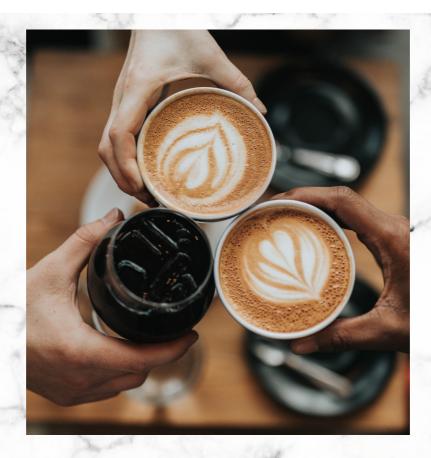
Blend 53

70% of employees say taking a coffee break increases productivity. We know that great-tasting coffee is essential.

But what if great-tasting coffee could do so much more than just boost your team's productivity and morale?

Every cup of Blend 53 is 100% speciality graded and Rainforest Alliance certified, allowing us to promote climate-smart agriculture and mitigate climate impacts.

Every bag purchased contributes to Foodinate, a multi-award-winning social company that combats food insecurity and homelessness in the United Kingdom. Unlike most other coffee companies, all of our packaging is 100% recyclable, reducing our environmental effect.



Ways to be Well

Our plant-forward philosophy means the vegetables, fruits, pulses, whole grains, nuts and seeds are the stars of the show, underpinning all the menus. Sustainably sourced meat, dairy and fish also feature on occasion.

Ways to be Well represents a market-leading offer based on a culture of positive eating and nurturing self-care to benefit our clients and their teams.

It is apparent that Gen Z eats with a focus on sustainability, and that office break periods are about more than just fueling the body or savouring tastes. It's all about the large picture, the greener picture.

KERB

KERB is an assembly of talented street food sellers bringing their inspirational dishes to the streets of London. It's skilled team delivers a full service to match any of London's leading caterers. Our traders serve with an infectious passion for food, alongside the professionalism and modern offering our guests are looking for.

Our Climate Net Zero Promise



Our Climate Roadmap

Faced by unprecedented challenges, we have never been more aware of the wellbeing of the people we serve. To be healthy, happy and productive, we need a stable climate and a rich diversity of life. That is why we're on a path that will take us to a 3-4 °C world in just three generations.

The "not too hot, not too cold" Goldilocks Zone that civilisation has thrived in for thousands of years is shifting and, for each 1 °C rise, millions of people will be forced to live in uninhabitable conditions.

Human Emergency

The Climate Promise, to which we committed to achieve Climate Net Zero by 2030, has been in effect for 18 months. The motivation, creativity and persistence across our communities and clients is growing and the results we have already seen are a credit to so many people within our organisation and across the global industry. But we must move faster. Food unites us all and we have an extraordinary opportunity to come together and reduce the impact of our diets at scale. Food insecurity and homelessness in the United Kingdom.

Our Current Climate Net Zero Status

In partnership with our parent company, Compass Group UK&I, we are excited to report a 36.11% absolute reduction in emissions from animal proteins, following our first 18 months of targeted climate action, equating to a reduction of 88,388 tCO2e for the business. This achievement has contributed to a significant 187,084 tCO2e absolute reduction in emissions (-20.37%) reported in the wider business's food and drink emissions alone (Scope 3, Category 1) between FY19 (our baseline year) and FY22. Animal proteins are a key carbon hotspot for us (20.58% of our FY19 baseline footprint) the positive outcome achieved in this area is the combined impact of significant reductions achieved in emission-intensive subcategories such as dairy and cheese (-46.64%) and meat (-28.39%).

05.

Summary

It is apparent that Gen Z eats with a focus on sustainability, and that office break periods are about more than just fuelling the body or savouring tastes. It's all about the large picture, the greener picture.

We can assist you and your employees on your ESG journey through our <u>Mission to a Million pledge</u>, our British-first sourcing strategy, and, ultimately, our promise to reach Climate Net Zero by 2030.

Embracing sustainability is not only the key to attracting and retaining young talent, but it can also help your business better prepare for the future and work towards a more sustainable workplace.

Let us work together in partnership to create the necessary change to achieve Climate Net Zero.

Contact us below for more information on how we may collaborate through joint partnerships to create a unique dining service that meets your long-term sustainable goals and promises:

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WEBSITE: https://restaurantassociates.co.uk/

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