Doing the right thing
2022 report
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Welcome to Pret’s 2022 Doing the right thing report.

From the very beginning doing the right thing has been a part of Pret’s DNA. It started out with us donating unsold food to local charities and now ESG is a key part of Pret’s growth strategy and is embedded in the way we do business.

A key milestone for Pret this year was the development of our Sustainability Ambition with the 3P Strategy: People (diversity, equity & belonging, responsible sourcing and sustainable farming), Product (innovative packaging, reducing product waste and more choices) and Planet (climate, water stewardship and biodiversity), building on the fantastic work that the Pret Foundation has been doing. We are committed to delivering our newly formed Sustainability Ambition and in 2023 have been setting robust and credible targets to get there.

Thank you to our team members, who continue to work hard and deliver the joy of Pret and this year have actively engaged in our sustainability agenda. We know the support of our teams will be crucial to deliver our ambition so seeing their passion for the topic is fantastic.

Alongside the work we are doing in our own operations, we continually look at how we can best support our value chain, which is where almost all of our planet and a large share of our people impact sits. We are also engaging our growing network of franchise partners who share our passion for sustainable growth. Collaboration is key to driving lasting change, and I look forward to accelerating our engagement with others in the industry.

Best wishes,
Pano Christou
Since opening our first shop in 1986, Pret’s mission has been simple: to serve freshly made food and organic coffee, whilst also trying to do the right thing.

Today, we’re a thriving global business but our bread and butter hasn’t changed. We are passionate about making every day a little bit brighter for our amazing people and wonderful customers. We’re a business with heart; believing in being kind, honest and generous.

That’s why our food is handmade in our shop kitchens throughout the day and where possible, anything we don’t sell goes to charity.

It’s also why our coffee is 100% organic and our Coffee Fund is supporting the next generation of farmers. It’s (partly) what we think makes Pret special.

There’s a lot we’re proud of actually. This report contains plenty for us to be even prouder of very soon; and in this document you’ll see it all.
2022 highlights

We remain committed to supporting the communities in which we operate in. In our 2021 report we detailed next steps for 2022. We are pleased that over the past 12 months, we have continued to use our resources to deliver the positive impact:

2030 Sustainability Ambition
Developed a holistic sustainability strategy to take the business through to 2030.

Materiality Assessment
Conducted Pret’s first ever materiality assessment, enabling us to better understand our ESG risks and opportunities.

Carbon Baseline
Utilising a dedicated ESG platform, 2022’s carbon emissions formed our baseline (our benchmark for reducing our footprint). This is being used to develop our science-based targets and roadmap for climate action moving forward.

Helping Those in Need
Globally, we donated over 7 million food and drink items from our shops. We have started to tackle hot food waste by working with partners like Too Good To Go in the UK, with half of the profit from TGTG being donated to The Pret Foundation.

Talent Development
We have continued to drive internal social mobility; with 85% of our General Managers having started on the shop floor; increasing to 90% for our Operations Manager populations.

Rising Stars
74 new Rising Stars joined our programme. Those with a criminal record or no address find it extra hard to break the cycle of homelessness. Since 2008, our programme has prioritised these individuals, offering help with travel to work, weekly support groups, ensuring they secure and maintain a job at Pret.
A materiality assessment allows us to identify potential material environmental, social and governance issues (now and in the future) to form a shortlist of topics that inform our strategy, targets and reporting.

Utilising ‘double materiality’, the assessment looks at the potential issues that could materially impact Pret, but also the potential issues that Pret may materially impact. The assessment is based on guidance from the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB).

We conducted this assessment with the support of Datamaran; a data-driven, software analytics platform. We have a membership to this platform, allowing us to continually conduct these assessments. This then enables us to uncover emerging trends and topics that could impact our stakeholders, all so our efforts remain on track with room to adapt as the world around Pret does.
Materiality Assessment

Our findings have and will continue to support the development of our new 2030 Sustainability Ambition.

Employee Diversity and Inclusion came out as the most material ESG topic. The importance of Diversity, Equity and Belonging was also echoed by the materiality of Community Engagement, Worker Voice, Social Inclusion, Talent Development and Employee Wellbeing. The theme of Responsible Sourcing came through in the results, through topics like Supply Chain Management, Vulnerable Workers and Animal Welfare. Although Sustainable Farming was ranked lower down internally, we recognise the growing importance it can have on the supply chain, such as the carbon removal potential of regenerative agriculture. As a result of this, we are using these 3 topics as focus areas to deliver Pret’s ambition to positively impact our key communities.

Responsible Waste Management and Reducing Single Use Plastics, noted as material topics, have always been central to Pret’s food waste and packaging agendas. A key finding from the assessment is the highly material topic of inclusive products, which refers to making products accessible and usable by as many people as reasonably possible. These 3 topics formed the basis for the focus areas to deliver Pret’s ambition to reduce the impact of our products and provide more sustainable options to customers.

Given the current global landscape, it’s no surprise Climate Change was identified as a material topic. Pret is dependent on Water and Biodiversity and whilst they were found to be less material, it’s clear these topics are fast gaining pace as priorities within the ESG space. We therefore made these 3 topics the focus areas to deliver Pret’s ambition to become a net zero business, committed to protecting the environment.
Pret and the Sustainable Development Goals (SDGs)

At Pret, we support the United Nations SDGs, and will focus on 6 of the 17 SDGs, which underpins our 2030 Sustainability Ambition.

Our work on these goals will also indirectly have a positive impact on many of the other goals, such as no poverty, quality education, clean water and sanitation, life under water, and life on land and will all be underpinned by partnerships to achieve lasting change.

We will continue to align future ESG reports with the SDGs, as well as include future alignment with other recognised reporting standards such as the Task Force of Climate-related Financial Disclosures (TCFD).
In 2022, we developed a new 2030 Sustainability Ambition. Based on the materiality assessment and SDGs, we believe we are focused on the right areas - People, Product and Planet.

**People**

Pret’s ambition to positively impact our key communities.

People are hugely important to the Pret business, whether that’s our amazing team members, our supply chain partners, or the people within the communities we operate, all of them contribute to our continued success. So, a major focus for us is how we have a positive impact on our teams and the wider community through the work of Pret and The Pret Foundation. Moving forward, our people pillar will include three key focus areas; diversity, equity and belonging; responsible sourcing; and sustainable farming, so we can ensure that we are behaving responsibly towards everyone in our value chain.

**Product**

Pret’s ambition to reduce the impact of our products and provide more sustainable options to customers.

Our product range plays a massive part in making Pret, Pret, ensuring we offer our customers that little bit of magic every visit. We are proud to offer a wide range of choices for our customers and Pret is committed to driving innovation, such as developing food-conscious veggie and vegan recipes. Product safety remains paramount, ensuring we offer customers the information they need to enable them to make the right choices for them. To guarantee a holistic approach to our product pillar, we will have three key focus areas; packaging, product waste and offering choices to customers, bringing these elements together will support us in reducing our products footprint whilst maintaining our unique customer offerings.

**Planet**

Pret’s ambition to become a net zero business, committed to protecting the environment.

Climate change is increasingly prevalent and has the potential to severely impact the communities we operate in. We recognise the role we must play in understanding, reporting on and tackling our carbon footprint. Alongside this we also have a responsibility to try and tackle wider issues impacting our planet such as water scarcity and biodiversity loss and understand that to secure our future we need to look at the planet holistically to reduce our impacts. That is why our planet pillar has three key focus areas; climate change, water stewardship and biodiversity.

On the following pages, we talk through the progress made across the three pillars in 2022. In future, the Sustainability Ambition will be our roadmap for ESG and we will address all the material topics.
People
★ Culture at Pret

We embedded our culture principles in 2022; to help us retain the best of Pret culture as well as adapt and transform for the future.

This culture transformation was supported by a global network of culture champions who engaged in an education series to role model our culture, helping to bring it to life and embed it across the organisation. This included focus groups on wellbeing at Pret, feeding into the wider strategic plans.

This was supported by embedding our culture into learning pathways, our performance reviews and across our business – in the way we recognise and appreciate our amazing teams.

Finally, we further adapted our flexible working policy to support all our people to achieve a beneficial work-life balance.

Mental health awareness workshops were rolled out for all line managers globally, to help them support their own wellbeing, and the wellbeing of their teams post pandemic.

We have many ways we listen to our teams to help shape and improve our culture.

As well as our annual engagement survey, Pret’s Big Conversation, we have a number of other ways we listen to our teams:

★ Chat Forums to elevate the voices of our Team Members in shops;
★ Diversity, Equity and Belonging Forums;
★ Networks of Culture Champions;
★ “Ask the CEO anything”, as part of his monthly broadcasts to update teams on priorities;

This feedback then gets built into People and Business Growth Plans, so we can focus on making meaningful impact for our teams.

Sharing joy is also a huge part of our culture! We celebrate our teams and their achievements through lots of reward and recognition events; that aim to showcase people’s amazing contribution to Pret culture.
Pay

2022 saw a meaningful increase increase, averaging 6% in April for our shop teams and then a further 5% in December.

In addition, the 5% increase in December was also awarded to all employees in Support Centres. This was part of our commitment to support financial wellbeing of our teams.
How we helped our people grow

We created training programmes for Franchisees and Partners globally to support and strengthen partnership growth and consistency.

This included Train the Trainer solutions and resources to facilitate partners’ autonomy and learning at scale. We also standardised the process for the onboarding of franchise partners and the continuity of the learning and development offer to franchise employees, ensuring that our partners offer the same quality of training regardless of where they are in the world.

Mindfulness programme
To support teams experiencing stress, anxiety, and depression we continued to offer a programme of mindfulness-based cognitive therapy in the UK and USA; to aid stress reduction and promote positive wellbeing, in addition to our existing Employee Assistance Programme (UK).

Learning Inclusion
We piloted a new mentoring programme across our Asia market, with a focus on strengthening mentoring culture at Pret, building confidence and capability.

Learner engagement
We supported our line manager and leadership training by launching new onboarding and progression pathways for our Support Centre teams; focussing on embedding our culture, collaboration, ESG and inclusion.

We launched a new version of the Welcome to Pret Pathway to include a focus on Pret Culture and Values and promote a learning approach compatible with the modern learners’ style.

The programme focuses on performance objective and impact, in alignment with the business changes and operating model.

Further supported by ongoing CPD and personal development for our shop and support centre teams, via LinkedIn Learning. Here, an additional 266 courses were completed and 6K+ learning videos watched.

Our training offer was undertaken by 16,916 employees in Pret Equity & 1,066 in our Franchise shops.
Diversity, Equity and Belonging Forums were established in the UK, USA, Europe and Asia, to strengthen employee listening and elevate diverse voices and lived experiences; shaping and informing DEB plans in each of our markets.

In 2022, we held quarterly DEB Governance Group meetings, chaired by Pano, our CEO, to oversee and govern our global Diversity, Equity and Belonging Strategy.

Diversity, Equity and Belonging Forums were established in the UK, USA, Europe and Asia, to strengthen employee listening and elevate diverse voices and lived experiences; shaping and informing DEB plans in each of our markets.

In 2022, we launched our diversity data capture campaign in the UK, to help us better understand the diversity representation within our business; observing where we do well and where we need more focus.

In the UK, the pay gap report has reduced from 7.6% to 6.0%, a positive result we intend to build on. A slight increase in the median pay gap, from 0% to this year at 3.8%, most likely caused by different roles being compared to last year.

We are working on increasing our ethnic representation in our management populations.
Diversity, Equity and Belonging (DEB)

Inclusive decision-making training was rolled out to all line managers globally.

We maintained our membership with WiHTL (Welcome in Hospitality, Travel & Leisure); to strengthen our DEB education series, and equity-based programmes – including development programmes for women, ethnic future leaders, a NED programme for senior women and board level ethnic leaders.

We activated our Diversity, Equity & Belonging (DEB) annual communications plan to support awareness-raising across the business, including International Women’s Day celebrations and Pride campaign, as examples.

We have continued to drive social mobility; with 85% of our General Managers having started on the shop floor; increasing to 90% for our Operations Manager populations. Internal mobility continues to be an important focus for us.

In Europe, the team were recognised by the government for their work supporting people with hearing impairments; strengthening accessibility for the deaf community in our shops and support centre.

In the UK, we have continued to increase our apprenticeship offering for school leavers. In partnership with The Big Assembly, we broadcasted a Panel session on Apprenticeships to over 57,000 young people.

We launched our first ever Virtual Work Experience Programme with Springpod and had an overwhelming 1,247 students aged between 14-18 participating. Students spent 1,801 hours engaging with the programme, and 1,453 modules were completed.

As a part of our internal mobility offer for 2022, we had 79 apprentices in UK Shops and a further 21 in our Support Centre on various programmes.

We received Disability Confident Committed status from the Department of Work Pensions (UK), demonstrating our commitment to:

- ensure our recruitment process is inclusive and accessible
- communicate and promote vacancies
- offer an interview to disabled people who meet the minimum criteria for the job
- anticipate and provide reasonable adjustments as required
- support any existing employee who acquires a disability or long-term health condition, enabling them to stay in work
- at least one activity that will make a difference for disabled people
The Pret Foundation
Registered Charity No. 1050195

Pret A Manger’s charity, The Pret Foundation, provided training and employment programmes to those experiencing, or at risk of, homelessness.

The Rising Stars and Shooting Stars Programme
In 2022, we were pleased to place 74 Rising Stars (target: 75) on to the programme with 78% completing the 12 weeks training and 53% remaining with Pret A Manger for 6 months or more. We also further supported 6 individuals on the Shooting Stars Programme, which offers a cohort of high potential graduated Rising Stars the opportunity to participate in a 9-month career development programme. It consists of learning modules to support building confidence and giving/receiving feedback. The Shooting Stars finish the programme with a clear Personal Development Plan (PDP).

Ukrainian Employment Programme
In the spring of 2022, we were shocked to witness the unfolding of events in Ukraine. Many of the shop teams at Pret A Manger are Eastern European and wanted us to do more to help. In the first instance, the Board supported the team’s recommendation to donate £50k to the Disaster’s Emergency Committee Response Appeal.

In addition, we established the Ukrainian Employment Programme with a view to supporting 50 refugees into employment. This was in addition to the core, budgeted support we provide to refugees via the Rising Stars Employment Programme.

Working alongside teams at Pret A Manger we were quickly able to translate the recruitment process, set up a dedicated pool and second a Ukrainian General Manager into The Pret Foundation team for a period of 6 months. In the first few weeks we attracted over 600 applications and due to demand we reopened the pool in November and received another 175 applications.

We are pleased to report that by the end of December 2022 we had successfully supported over 200 people into employment. 4 of these had progressed on to Front of House Leaders, 7 are Kitchen Leaders, 2 have become Team Member Trainers, 18 are now Hot Chefs and we have 20 Baristas. We were able to offer financial support for those in immediate need to equip them with what they need to set up a home and offered English tuition classes in partnership with the Ukrainian Institute.
Product
Food Donation

Pret A Manger’s charity, The Pret Foundation donated our unsold food at the end of every day to people who need it most, totalling over 7 million items globally from our Pret shops, in 2022.

Over 6 million food items were collected and distributed on behalf of charities in the UK alone (2021: 5 million), with food from approximately 90% of eligible* Pret A Manger shops collected by or distributed to charities at the end of each business day in the UK (2021: 93%), and 85% globally.

*Eligible shops are those that close before 9pm and are not airside.

Food distribution in London operates via Pret’s Charity Run, with food being distributed 7 days a week, with 7 delivery routes. Over 120 homeless charities and shelters in London benefited from food donations in 2022 via the Pret Charity Run (2021: 105). The vans collect and distribute leftover food from the shops to charities and shelters. Clean Society manages this operation on behalf of The Pret Foundation.

Where The Foundation cannot collect unsold food from a shop, it arranges for a registered charity to do so wherever possible, thus avoiding unnecessary waste going to landfill. Surplus ingredients not required by shops are also donated in bulk and delivered from the supplier warehouses direct to The Felix Project, Fareshare, and City Harvest - charities fighting hunger and food waste across London. In 2022 we donated 9700 cases of produce from our supplier warehouses to these charities.

In regional shops, the end of 2022 saw the transition from a manual food donations programme to the launch of The Pret Foundation’s partnership with Neighbourly – the food sharing platform connecting businesses with local good causes to give surplus to those who need it. Neighbourly onboarded existing charity partners across the UK Regions to the programme and filled additional gaps in shop collection schedules from their wide network of existing good causes. Via Neighbourly Pret shops donated over 100,000 meals’ worth of surplus food items to 200 local good causes.
Food Donation

Across the regions, where charity collections aren’t always possible, we also work with the food sharing app, Olio, who have food waste heroes that can collect surplus food each day and donate to the local community – many on the poverty line.

Through our partnership with Olio we donated the equivalent of 500,000 meals’ worth of food items to local communities in 2022, supporting over 24,000 households with surplus food donations.

In addition, throughout 2022 we continued our partnership with food waste redistribution app Too Good To Go, to sell and reduce hot food waste in shops which cannot be donated. Across the year, Pret shops redistributed more than 100,000 meals via Too Good To Go ‘Surprise Bags’, which would otherwise have been wasted. Whilst this is not directly supporting the welfare of people experiencing homelessness, it will become one of our enablers – raising funds for The Pret Foundation to continue delivering its core activities, in 2022 generating £132k from Too Good To Go.
Eliminating plastic:
Following extensive trials to find a suitable alternative, we have stopped using polystyrene cutlery in Europe and Asia, where the soup spoons are now made from either wood or recyclable paperboard sourced from sustainably managed forests.

In Europe, we converted 5 shops to plastic-free packaging for our freshly made products by replacing plastic film with a lightweight paper alternative.

In Asia, we have stopped using polystyrene coffee cup lids and now use lids made from sugar cane pulp instead which is a material that is widely available in that region. This follows the move we made in Europe to using paper pulp coffee cup lids for all of our barista prepared drinks. We also changed our plastic ice drinks cup to paperboard.

Removing the lids from our fresh fruit salad pots has saved us 25 tonnes of plastic and year and also keeps the product fresher for longer, reducing waste.

Improving recyclability:
All of the bags that we use for the coffee beans that are used in our shops are now made from a recyclable mono material. This is a significant step as the previous multi material laminate bags made up a large proportion of our non recyclable tonnage.

By working in partnership with our prosciutto supplier, we have been able to change the material used for the interleaves so that not only are they now recyclable, they also use less material.

Helping customers:
We continue to be active members of the National Coffee Cup Recycling Scheme and we have supported multiple projects to help fund cup collection in transport hubs and motorway service stations as well as in our own shops.

Re-useable packaging:
In France, for all customers that dine in we use re-useable packaging which is collected, washed in house and re-used every day.

Recycled materials:
We’re continuing to push to increase the amount of recycled plastic that we use. Our platter bags now contain 50% post consumer recycled plastic. Our fruit and dessert pots contain at least 80% and our salad bowl lids contain 100% recycled plastic.

In the few bits of packaging where we used them, by working closely with our supplier and their raw material provider, we have also eliminated PFAS chemicals from our packaging wherever they were known to be present.

We have committed to making the following changes to our packaging by 2025:
- Make it 100% recyclable, reusable or compostable
- Eliminate all unnecessary single-use plastic
- Help customers to recycle effectively in our shops
Planet
As part of the British Retail Consortium’s (BRC) Retail Roadmap to Net Zero, Pret is committed to being Net Zero across Scope 2 emissions by 2030, Scope 1 emissions by 2035 and Scope 3 emissions by 2040.

In light of the Science Based Targets initiative releasing its Corporate Net-Zero Standard for businesses with a focus on Forest, Land and Agriculture (FLAG), we worked with a third party consultancy to calculate our 2022 Scope 3 emissions split by FLAG and Non-FLAG. We are now in the process of setting near term and long term FLAG and Non-FLAG science-based targets, which will be our roadmap for climate change moving forward.

**Carbon Footprint**

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<th>Scope</th>
<th>Emissions (tCO2e)</th>
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</thead>
<tbody>
<tr>
<td>Scope 1</td>
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</tr>
<tr>
<td>Scope 2 (Location-Based)</td>
<td>17,441</td>
</tr>
<tr>
<td>Scope 2 (Market-Based)</td>
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</tr>
<tr>
<td>Non-FLAG Scope 3</td>
<td>142,542</td>
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<tr>
<td>Upstream</td>
<td>135,978</td>
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<tr>
<td>Downstream</td>
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<td>FLAG Scope 3</td>
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<tr>
<td>Land use change (Food)</td>
<td>60,211</td>
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<tr>
<td>Land use change (Non-Food)</td>
<td>137</td>
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<tr>
<td>Land management (Food)</td>
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<tr>
<td>Land management (Non-Food)</td>
<td>4,143</td>
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<tr>
<td>Total Scope 1, 2 Market-Based and 3</td>
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</tbody>
</table>

FLAG products include all Pret’s food and drink products, in addition to packaging (board and paper). FLAG emission sources include: land use change, land management and biogenic removals.
The Pret Coffee Fund

The Coffee Fund, developed in 2014, supports our coffee growers in Peru by investing in a training course to educate, inspire and support the next generation of coffee farmers, helping them to build a sustainable business and stay in farming.

Over the space of a year, the course provides them with new approaches, ideas and practical training to improve yield and quality, adapt to a changing farming environment amidst the changing climate and to grow a future through coffee farming. We are working with our partners on the ground to digitalise more of the training, allowing the project to be scaled up to reach more farmers.
Looking Ahead
Looking Ahead

2022 was a year of transition for Pret’s sustainability journey with a new 2030 Sustainability Ambition being developed to drive holistic action and support the business meet its future growth ambitions. Our 2023 focus areas are:

**Planet**
Develop science-based targets, Pret’s roadmap for reducing carbon emissions.
Conduct scenario analysis to deliver Pret’s first Taskforce on Climate related Financial Disclosures (TCFD) report.

**People**
Launch a supply chain project focused on diversity, equity and belonging.
Launch and embed belonging groups in the UK; Women, Multiculture, LGBTQ+, Body & Mind (mental health neurodiversity and disability) & Parents & Carers.
Launch our Inclusion toolkit globally, continuing our education journey.
Capture diversity data, across all of our markets.
Recruit 100 Rising Stars with an 80% graduation rate and achieve a 60% retention rate at 6 months plus.

**Product**
Launch partnership with Neighbourly to support with our food waste ambitions - 90% of equity shops using Neighbourly by year end with 75% shop compliance and 90% successful charity collections.
Pilot a recyclable alternative to our polystyrene coffee cup lid.
Collaborate with others in the industry to tackle supply chain food waste.

With the new strategy in place, we recognise the need to start delivering against our ambitions, building partnerships to support this and working to drive engagement with our colleagues and broader stakeholders.
Doing the right thing
2022 report