

The Young's difference Our environment

We are delighted that our new head office 'Copper House' in the heart of Wandsworth has been built to BREEAM excellence standards.

This demonstrates that the new development has maximised the potential for improvement in energy efficiency to its existing building areas and has also exceeded compliance within the new build elements. The BREEAM excellent rating is achieved by only the top 10% of new non-domestic buildings in the UK.





We are passionate about reducing our emissions and we have a long tradition of introducing carbon saving initiatives throughout our estate. However, we understand that we need to adopt a more structured approach, so that we are in a position to set targets that can be accurately measured and assured. This will enable our stakeholders to monitor our progress and have confidence in our performance.

Although we have achieved a lot in recent years, the results are difficult to measure, and we have taken steps that will enable us to strengthen our governance framework to support our sustainability strategy as it evolves.

Net zero carbon pathway

The development of a net zero carbon pathway is a significant task and we want to do it properly. We have realised that before we set targets, we need to know more about our properties so that we can identify the actions that need to be taken, plan our approach and phase our investments. As a result, we have engaged Savills Earth to advise and support us on this journey and we have agreed the following phased approach:

Phase one: to review our baseline carbon assessment and benchmark carbon emissions for each property to sense check results.

Phase two: 'Our Net Zero Carbon Pathway Development': this involves grouping our properties into categories based on building age, condition, servicing and heritage status. From that we will develop net zero implementation plans for each category and set out a timeline of interventions. This will enable us to establish an overall pathway to net zero for our properties.

Phase three: the final phase is the setting up of ongoing monitoring and reporting. We appreciate that net zero reporting and frameworks require regular verification and disclosure so that the company can demonstrate progress against its carbon reduction targets.

We have just completed phase one of the project and we expect phase three to be well progressed by the end of FY23.

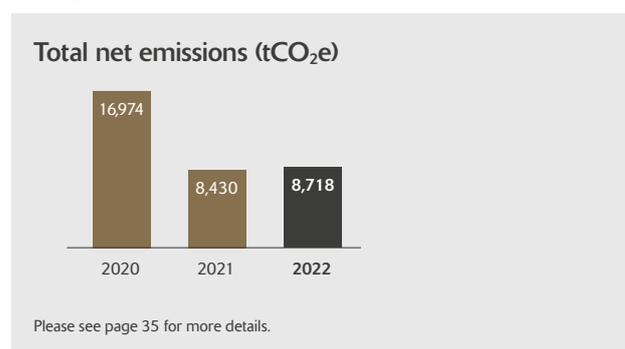
Sustainability frameworks

We will review the various sustainability frameworks as we work through phase three of the above project so that we can identify the frameworks that are most relevant to our business. We will also assess our alignment with the UN Sustainability Development Goals.

The challenges we face

- The cost – the required investment will need to be phased and we are conscious that some technology is not yet fit for commercial use. We will work with suppliers, collaborate with our peers and monitor the development of the relevant technologies, run trials where appropriate and adopt in line with our investment cycle, as the costs reduce, and the stability of the technology improves.
- Statutory building restrictions – listed building status and conservation areas represent a significant challenge, bearing in mind that 40% of our pubs have listed status. We will work with Savills Earth, our suppliers and statutory authorities to identify potential solutions to these challenges.
- Availability of energy resources – we continue to work with energy suppliers to identify infrastructure improvements which will help us move to sustainable forms of energy, this includes new on-site electrical substations where the site layout allows for this addition.
- Remote pub locations – they can provide significant challenges for carbon reduction. We are working with energy suppliers to try and upgrade the infrastructure into these properties where the supply is capable of being moved to a carbon efficient model.

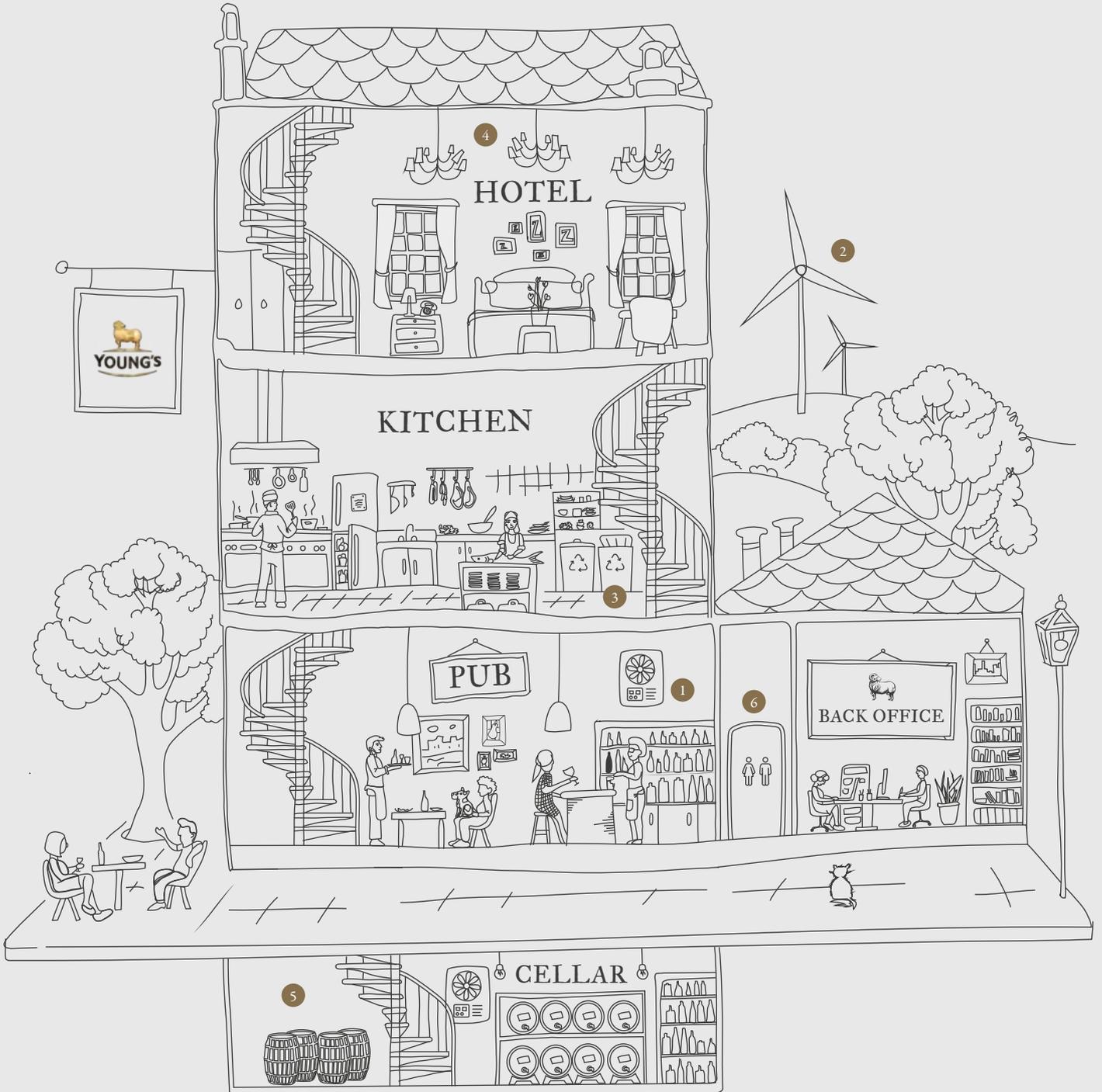
Our performance so far



This year, as part of our sustainable journey, we now source 100% of our power renewably from our group energy contract. Green electricity is dual reported in line with SECR requirements. We have also established FY2019/20 as a base year.

The Young's difference

The sustainable Young's pub



The illustration above provides an overview of the key features that have been incorporated or are being rolled out to our existing estate and represent the 2022 edition of the sustainable Young's pub.



100%

Electricity from renewable sources through our group energy contract

(from 1 April 2021)

Our vision is to have an estate of sustainable pubs and hotels and we are working to identify a pub within our estate which will be our flagship 'sustainable pub'. This pub will be a test bed for sustainability initiatives and will be used to trial the latest ideas and develop new initiatives which can then be adopted throughout our whole estate. We will update you on our progress each year in this report as our sustainable pub evolves and the company embraces new ways of working, technology and the latest thinking.

1 Buildings energy management system ('BEMS')

We are partnered with Forest Rock, a UK based software company which has developed solutions for the internet of things, to launch a BEMS platform called 'MyBuildings.Live'. This platform will give us valuable insight into the performance of our buildings and assets. By monitoring and controlling those assets we aim to reduce energy consumption and improve operational costs. Currently we have 14 BEMS sites online, with a further 60 planned for FY23.

2 Renewable energy

From 1 April 2021, 100% of our electrical supply began to flow from renewable sources from our group energy contract, powered entirely by hydro and wind energy. Our supply is backed by renewable electricity guarantees of origin and independently verified by EcoAct, a Carbon Disclosure Project accredited provider. This has reduced our carbon emissions, see page 31.

3 Recycling and waste

We have implemented comprehensive recycling arrangements throughout our estate. 99% of pubs have glass recycling and 94% have a dry mix recycling scheme. For many years we have been partnering with Olleco, on a successful initiative to recycle used cooking oil to produce biodiesel. In total 334,325 litres were collected during FY22.

The food waste collected from our pubs is sent to anaerobic digestion plants where it is used to produce biogas for combined heat and power units providing renewable power and heat. What's leftover in this process is used as a biofertilizer by farmers. Our non-recyclable waste is sent to refuse-derived fuel plants where it is sorted, shredded and turned into fuel pellets for use as a fossil fuel substitute in kilns, steel furnaces and cement and lime plants.

334,325 litres

Cooking oil recycled for biodiesel

(2021: 112,783 litres)

4 LED lighting

Since 2018 the company has been committed to installing LED lamps throughout our existing pub estate and new developments. Year-on-year we continue to rollout our LED replacement programme to ensure our estate is fully LED compliant, mitigating lamp failures and retaining our own high standards. At the end of the period over 95% of our estate had LED lighting installed.

5 Cellar management

We continue to invest and upgrade our cellars. The company's cellar energy management programme incorporates the installation of 'Eco Flo' to beer dispense units which enables us to control cellar cooling. The reduced energy consumption is estimated to save around £160 per year, per cooler and there are typically two or three coolers per site. At the period end, 41 pubs had Eco Flo installed.

6 Waterless urinals

We will continue to invest in waterless urinals which we incorporate into all major capital expenditure investments. There are currently 68 sites with waterless urinals with a further 37 planned for FY23. It is estimated that this programme already provides water savings of 37,950m³ per annum.

The Young's difference

Decarbonising our company car fleet

In 2020 we introduced a policy of only allowing replacement orders for hybrid or electric cars to be placed. At that time over 59% of the fleet comprised petrol or diesel vehicles. By the end of the period 82% of cars were hybrid or electric. Replacement orders have been placed for the remaining 18% but due to supply chain issues delivery can currently take up to 18 months.

2020

2022



Our environment continued

What's next:

The net zero carbon pathway project, it is the overarching environmental workstream for FY23. This project will enable us to validate our roadmap, plan and phase our investments and define measurable short-, medium- and long-term targets that can be validated.

We will also implement a number of other key initiatives during FY23, including:

The overnight initiative

Working in partnership with the Zero Carbon Forum, the company will launch the 'Save While You Sleep' campaign in May 2022. This initiative aims to tackle operational teams' behaviour and raise awareness of energy savings opportunities simply by switching off non-essential equipment, such as bar fridges, overnight. We estimate that this could save over 3% of our operational carbon emissions, as well as helping us to reduce our energy costs.

Sustainability champions

Every pub will have a designated sustainability champion who will promote new initiatives and raise the profile of sustainability throughout our estate. Our new sustainability manager will use this network to share ideas and communicate new initiatives.

Electronic vehicle ('EV') chargers

We are currently trialling EV chargers in three of our pubs and a rollout programme is being planned for FY23.

Responsible refurbishments

We will work with our consultants, building contractors and key suppliers to scope and develop a sustainable refurbishment policy which will incorporate a minimum level of sustainability into every refurbishment. This will involve, amongst other things, a review of material sourcing, construction methods and the equipment and furnishing supply chain. This policy will evolve over time and the minimum level of sustainability will rise as more and more sustainable practices are incorporated into the company's investments as we work to achieve our net zero targets.

Patio heaters

All new patio heaters provided to our gardens will be electric and incorporate timers or controlled sensors. We have implemented a programme to replace all existing gas heaters with electric heaters, as far as reasonably practicable, by the end of FY23.

Recycling and waste

We will build on the great work achieved to date and work to raise the profile of recycling and waste management throughout the business. We will start a project to identify short and medium-term targets for recycling and waste that can be appropriately measured and validated.

Zero Carbon Forum

As one of the founding members of the Zero Carbon Forum we will continue to actively engage and participate, helping to shape the hospitality industries approach to sustainability.

Produce

We offer best in class seasonal British food and drink. Our menus are crafted using the finest ingredients, 90% of which are sourced in the UK. We are passionate about seasonal food and we change our menus quarterly so that they include the latest seasonal ingredients. During the period we began a food supply chain optimisation project, with our key supplier 'Menu Partners', which has led to a number of benefits:

- we have implemented efficiency measures and reduced our costs.
- the number of deliveries to our pubs has reduced by over 86%, from circa 5,601 deliveries per week to 783. We estimate this to be equivalent to more than 400 tonnes of carbon reduction per year.
- there has been a reduction in the amount of packaging waste at site level and deliveries are now paperless.
- we will continue to work in partnership with our suppliers in order to achieve our target of a carbon neutral food supply chain by 2040.

Our environmental targets

Short-term targets

2024

Petrol and diesel cars will be eliminated from the car fleet by the end of FY24.

2024

All unnecessary single-use plastics will be eliminated from our front of house operations by the end of FY24.

Medium- and long-term targets

2030

The company has aligned itself with the Zero Carbon Forum's roadmap for the industry which requires that, as a collective, we are committed to achieving net zero for our 'Scope 1' and 'Scope 2' emissions (our direct company emissions) by 2030 and net zero for our 'Scope 3' emissions (our supply chain emissions) by 2040.

2040



Greenhouse gas emissions, energy consumption and energy efficiency action

In this section of this report:

- “DEFRA” means the Department for Environment, Food and Rural Affairs;
- “kWh” means kilowatt hours; and
- “tCO₂e” means tonnes of carbon dioxide equivalent.

| | 2022 | 2021 | 2020 |
|---|-------------------|------------|------------|
| Revenue in £ million | 309.0 | 90.6 | 311.6 |
| No. of managed houses at the year-end | 219 | 120 | 207 |
| The annual quantity of emissions in tCO ₂ e resulting from activities for which the group was responsible involving (i) the combustion of gas or (ii) the consumption of fuel for the purposes of transport | 8,430 | 6,323 | 8,247 |
| The annual quantity of emissions in tCO ₂ e resulting from the purchase of electricity by the group for its own use, including for the purposes of transport | 8,234 | 2,107 | 8,727 |
| The annual quantity of energy consumed in kWh from activities for which the group was responsible involving (i) the combustion of gas or (ii) the consumption of fuel for the purposes of transport, together with the annual quantity of energy consumed in kWh resulting from the purchase of electricity by the group for its own use, including for the purposes of transport | 80,403,035 | 43,132,027 | 78,613,804 |
| Total Gross Emissions (tCO ₂ e) | 16,664 | 8,430 | 16,974 |
| The group’s annual emissions: ratio of tCO ₂ e (gross) per £ million of revenue | 53.93:1 | 93.05:1 | 54.47:1 |
| Carbon offsets procured via Green Electricity Tariff | (7,946) | – | – |
| Total Net Emissions (tCO ₂ e) | 8,718 | 8,430 | 16,974 |
| The group’s annual emissions: ratio of tCO ₂ e (net) per £ million of revenue | 28.21:1 | 93.05:1 | 54.47:1 |

We work closely with our key suppliers and monitor their sustainability practices. This will be an area of increasing focus going forward as we calculate our Scope 3 emissions and work with our suppliers and the broader hospitality industry to reduce their emissions in line with our net zero targets. We are working with our advisors and our energy consultants to calculate our Scope 3 emission base line, which we will disclose in the FY23 report and accounts.

We are also members of the Sustainable Restaurant Association and the company has been awarded a best in class three star rating.

This year, as part of our sustainable journey, we now source electricity from renewable sources through our group energy contract. Green electricity is dual reported in line with SECR requirements. We have also established FY2019/20 as a base year.

The following methodologies were used to calculate the above quantities:

- the kWh consumption figures relevant to gas, electricity, district heating (i.e. a system for distributing heat generated in a centralised location through a system of insulated pipes for residential and commercial heating requirements such as space heating and water heating) and district cooling (i.e. a system working on broadly similar principles to district heating but delivering chilled water to buildings needing cooling) were taken from invoices received by the group¹ – the kWh figures were then converted to tCO₂e figures using the then current conversion factors published by DEFRA;

- the consumption figures relevant to propane were taken from invoices received by the group¹ – these were either in kilograms or litres delivered and were then converted to kWh and tCO₂e using the then current conversion factors published by DEFRA; and
- the consumption figures relevant to transport were calculated using expensed mileage figures – to calculate tCO₂e for company cars, the group then used the car manufacturer’s gCO₂/km data and increased this by 38% per guidelines issued by DEFRA – to calculate tCO₂e for mileage completed in other cars, the conversion was made using figures for an average car per guidance issued by DEFRA – in each case, the resulting tCO₂e figures were then converted to kWh using the then current fuel conversion factors published by DEFRA – where the fuel type used was unknown, it was assumed to be diesel in line with guidance published by DEFRA.

Our approach to the taskforce for climate-related financial disclosures (‘TCFD’)

We welcome the introduction of TCFD and recognise the impetus this will provide for companies and stakeholders to understand relevant climate-related risks and to ensure that appropriate management processes are in place to mitigate them.

During FY23 we will develop our understanding of the requirements and assess the actions we need to take in order to ensure that we are prepared for our first disclosure in our FY24 report and accounts.

¹ Where data was missing, values were estimated using an extrapolation of available data.