

Whitbread Responsible Sourcing Policy Coffee

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1. Context

Whitbread recognises it has a responsibility to ensure sound social, ethical and environmental practices within its own operations, supply chain and in every market in which it operates. We are committed to ensuring that all our procurement practices are carried out in the most sustainable and responsible way possible and this includes responsible procurement of all raw materials sourced to produce any product involved in the Whitbread business.

We understand the impact coffee sourcing can have on the environment, community and supply chain and are committed to mitigating any adverse impacts wherever possible. We want to fulfil the obligation we, as a consumer and user of coffee, have to work towards achieving sustainable supply.

All Whitbread procurement is subject to compliance with the Whitbread Responsible Sourcing Policy which outlines that ‘suppliers may in addition be required to comply with additional sub-policies or standards relevant to the products that we source from that supplier and specific risks or issues associated.’ Whitbread considers the procurement of coffee to be an area of such risk and has therefore created this policy document to sit alongside the Responsible Sourcing Policy.

100% of the coffee beans Whitbread purchases are sourced from certified Rainforest Alliance farms, which means they operate to robust social and environmental standards set by the Sustainable Agriculture Network (SAN). The Whitbread policy is therefore closely aligned to this Sustainable Agriculture standard.

2. Scope

Throughout this document, the term ‘coffee’ refers to any product sourced through the Whitbread supply chain which contains coffee and includes the use of coffee in hotels, restaurants and Costa Coffee.

3. Policy Requirements

The Whitbread policy ensures that all products and materials stated above are sourced from suppliers who are operating in compliance with the following sustainable agriculture principles:

3.1 Transparency

Whitbread requires honesty and transparency from all suppliers. In order to ensure sustainable sourcing throughout the supply chain, all our coffee beans are traceable to Rainforest Alliance certified farms. Where coffee is used as an ingredient, Whitbread requires its suppliers to work with us to ensure that this is also sourced from Rainforest Alliance certified farms (see ‘4. Certification and Accreditation’). All information relating to the supply chain and the environmental and social impacts pertinent to Whitbread sourcing must be available for Whitbread’s review upon request.

3.2 Legal compliance

Sourcing methods will operate in compliance with all applicable local, national and ratified international laws and regulations, including ILO conventions, and is bound by UK Anti Bribery legislation.

3.3 Greenhouse gas emissions

Suppliers are encouraged to report to Whitbread and set time bound targets to reduce the greenhouse gas emissions from their primary production, manufacturing or processing plants as relevant.

3.4 Water management

Suppliers are encouraged to conduct a water resource requirement and consumption assessment. This should consider the impact of water use and discharge. The aim of such an assessment should be to identify opportunities to reduce water consumption or mitigate the risk of any negative impact on water quantity and quality.

3.5 Traditional, civil & human rights and labour standards

Whitbread will not accept violations of traditional, civil and / or human rights or non-compliance with labour standards as set out in the Responsible Sourcing Policy and in line with the UN Guiding Principles for Business and Human Rights.

The following policy requirements are relevant to suppliers of coffee at primary production level, often smallholder farms. They are closely aligned to the Rainforest Alliance's Sustainable Agriculture standard.

3.6 Commitment

Farm management must demonstrate a commitment to comply with the Sustainable Agriculture standard (SAN) and to support its implementation by providing the necessary resources.

3.7 Protection and conservation of natural biodiversity and ecosystems

- All existing natural ecosystems must be identified, protected and restored through a conservation programme which includes areas of the farm that are unsuitable for agriculture.
- Sourcing operations or production will not take place in areas deemed to be, to include, or be responsible for the maintenance of, high value ecosystems.

3.8 Wildlife Protection

The potential impact of sourcing operations on the existence and conservation of any threatened or endangered species and wild animals will be identified. No hunting, capturing, extracting and trafficking wild animals will take place on the farm, with the exception of cultural or ethnic groups operating in line with point 3.3 in the Sustainable Agriculture standard.

3.9 Water Conservation

- Industrial or domestic wastewater will not be discharged or deposited into natural water bodies without demonstrating that the discharged water complies

with the respective legal requirements, and that it does not degrade the receiving water body.

- No organic or inorganic solids will be deposited into natural water bodies.

3.10 Community Relations

- Farm management will implement policies and procedures for identifying and considering the interests of local populations and communities regarding farm activities or changes that could have an impact on their health, employment or local natural resources.
- Farm must respond to, document and make available for review all complaints and comments it receives related to its activities.

3.11 Soil Management

No natural forest cover will be removed to prepare new production areas. They will only be located on land with the climatic, soil and topographic conditions suitable for intensity level of the agricultural production planned and will be established based on land use capacity studies that demonstrate long-term production capacity.

3.12 Chemical use

The following substances will not be used:

- Biological or organic substances that are not legally registered in the country for commercial use.
- Agrochemicals that are not registered officially in the country or that are mentioned in the List of Banned and Severely Restricted Pesticides in the US or pesticides banned or severely restricted in the European Union.
- Substances that have been banned globally under the Stockholm Convention on Organic Pollutants (POPs).
- Substances listed in Annex III of the Rotterdam Convention on Prior Informed Consent (PIC), in relation to national bans or severe restrictions for documented health or environmental reasons in at least two regions of the world.
- All Pesticide Action Network Dirty Dozen substances.

Steps must be taken to avoid introducing, cultivating or processing transgenic crops.

4. Certification and Accreditation

Whitbread is committed to source 100% Rainforest Alliance certified coffee. We require all suppliers to support this ambition and where coffee is used as an ingredient, we expect our suppliers to work towards ensuring it is also certified to the Rainforest Alliance Sustainable Agriculture standard.

More information on Rainforest Alliance certified coffee:

<http://www.rainforest-alliance.org/>

5. Principles of Implementation

As a form of good practice, Whitbread keeps a record of all coffee and coffee based product suppliers and systematically monitors the performance of all suppliers of products covered by this policy through direct communication, desk based

certification review and, where relevant, third party verification. We are committed to periodically reviewing this policy to ensure it is up to date, relevant and conducive to driving continuous improvement throughout our supply chain.

In order for suppliers to implement this policy, Whitbread requires them to:

- Communicate this policy throughout their own supply chain.
- Confirm in writing a willingness to comply with this policy, by signing the box below.
- Demonstrate traceability and legality of coffee sources.
- Provide documentary evidence confirming certification, where relevant.
- Ensure Whitbread representatives, including third party auditors are given uninhibited access to sites used to produce Whitbread goods and that all documentation is accurate and complete.
- Accurately and transparently communicate when these standards are not being met or are unlikely to be met and when support is required to meet these standards.
- Ensure transparency of performance against Whitbread's 2020 target to achieve 100% accreditation to robust standards for all critical product commodities and demonstrate a proactive commitment to support Whitbread in achieving its targets through conformance with this policy.

Signed:

..... Title: Date:

I declare that I have received and acknowledge in full Whitbread Plc's Coffee Policy and agree to work with Whitbread towards full compliance abiding by the Principles of Implementation.

On behalf of: *(Company name)*

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