

The Good Stuff

Loungers Sustainability Report 2023

LOUNGERS PLC

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Message from our CEO

Ever since the company was founded, we have looked for ways to make a positive difference – for our people, customers, and suppliers, as well as for the communities we serve and our shared planet. In fact, I believe that acting with intention and integrity has propelled our commercial success.

As we grow, we want to grow the good that we do. Every time we open a new café-bar or restaurant, we invest nearly £1m into the local high street and, by being there, we bring people back. We want to earn our place in the local community and do this by having a knock-on positive effect on all the businesses and groups around us.

We also create an average of 30 new jobs with each new site. During 2023, we will add another 1,000 people to our workforce – and one in eight of those new jobs is in areas that the UK government wants to 'level up' by creating better opportunities and standards of living. We know that some of these jobs will turn into careers in hospitality, and we support our people to grow with us and become future leaders.

We are excited about the good stuff we have already done and we want to do more. This year, for the first time, we have attempted to map out where we can make a positive difference and have set ourselves ambitious goals in each area.

This means, we are stepping up our community engagement activities ([see page 8](#)), have built a carbon reduction strategy ([page 20](#)), and challenged ourselves to become an even better employer ([page 15](#)). We have also reflected on what it means to be a responsible retailer of food and drink and have put processes and policies in place to raise standards in our supply chain ([page 24](#)) and make sure we are always proud of what we put on our customers' plates ([page 12](#)).

Delivering all this takes commitment and focus and I have asked our team to set challenging targets and build action plans to deliver them. We lay all this out in the following pages and, every year, we will share an update on our progress.

Thank you for your interest in our company.



Nick Collins
Chief Executive Officer

As we grow, we
want to grow the
good that we do.

Building our strategy

Over the past year, we have engaged with our stakeholders and industry experts to understand how our actions are impacting on others and the environment and what we can do to make those impacts positive. We have also invited feedback from our teams and held workshops to consider what we can do better.

The result of these conversations and discussions is our Good Stuff strategy, organised around the five main areas where we have an impact – we are calling these our focus areas:



Community

We exist to bring people together

Every year:

- Host **10,000** community events
- Raise **£100,000** for charity every June via LoungeAid



Customers

Be proud of what we put on the plate

- Establish guideline nutritional parameters for **all new product development**
- Minimum of 18 vegan and 36 GF dishes, per menu
- Better Chicken Commitment for 100% of the chicken in our supply chain by 2026



People

We care about our teams

- **40%** of senior leaders to be **female by 2028**
- **50%** of management roles to be filled by **internal hires**
- Increase the % of our team who enjoy working at Loungers to an average score of 8/10



Planet

Deliver hospitality sustainably

- Net zero by **2035** (Scopes 1&2)
- Increase recycling by **10%** and food composting by **20%** by end 2024



Suppliers

Work with our partners to raise standards

- **100%** of suppliers on SEDEX by end FY 23/24

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UN Sustainable Development Goals

As we were building our sustainability strategy, we considered the United Nations' 17 Sustainable Development Goals. We employ more than 7,000 people across 220 sites across the UK and recognise that the way we do business can make a positive contribution to these Global Goals.



03 GOOD HEALTH & WELL-BEING

3.4

Reduce non-communicable disease

Our Contribution:
Supporting healthy weight through lower calorie menu options



08 DECENT WORK & ECONOMIC GROWTH

8.5

Full employment and decent work with equal pay

Our Contribution:
Creating 1,000 fairly paid new jobs each year



11 SUSTAINABLE CITIES & COMMUNITIES

11.6

Reduce the environmental impact of cities

Our Contribution:
Reviewed build spec for new sites to reduce carbon over lifetime



12 RESPONSIBLE CONSUMPTION & PRODUCTION

12.3

Halve food waste by 2030

Our Contribution:
Exploring ways to reduce food waste

12.5

Substantially reduce waste generation

Our Contribution:
New waste segregation system being introduced



13 CLIMATE ACTION

13.3

Build knowledge and capacity to meet climate change

Our Contribution:
Net zero targets; educated department heads on carbon; published first TCFD report



15 LIFE ON LAND

15.2

End deforestation and restore degraded forests

Our Contribution:
Commitment to use only certified sustainable palm oil and soy, and British or Irish beef

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Governance

Our commitment to sustainability comes from our most senior leaders – the PLC and Executive Board – and is led by our Chief Executive Officer. Our Chief Operations Officer is accountable for overseeing the creation of the strategy and ensuring delivery.

To give our sustainability ambitions the focus that real change requires and ensure accountability, each part of our strategy is owned by a director. Combined, these leaders form our Sustainability Committee which meets monthly, chaired by our Chief Operating Officer. The Committee is empowered to set targets, review progress on sustainability, and agree new focus areas. An external sustainability expert is invited to each meeting, to challenge our decisions and help us to identify new areas of opportunity or concern.

These meetings are also used to upskill the team on key issues. For instance, in July 2023, a carbon expert was invited along to help improve the team's carbon literacy. He explained how carbon footprints are calculated and outlined the legislative frameworks for ESG that apply to our business. In September, we invited the team from a Bristol-based social enterprise to talk to the team about overcoming social and racial inequality in the city – an issue that Loungers wants to play a part in solving.

From time to time, representatives from different roles in the business are invited to be part of the Sustainability Committee. Since it began meeting in early 2023, area managers and site-based team members have been invited to contribute their thoughts and ideas to the committee.

In summer 2023, the Chief People Officer and Chief Operating Officer co-chaired a listening group with team members and managers in our Lounges and Cosy Clubs to understand their feelings on ESG and what they expected to see from Loungers – all of which has informed our strategy.

Another key aspect of our approach to governance is ensuring that sustainability is factored into our routine business processes. We are now reviewing our existing decision-making processes to explore how and where we can build in a consideration of sustainability, such as training, communications, supplier tendering, our property acquisition process, and how we develop our new menus.



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Our Sustainability Committee



Eve Bugler
Chief Operating Officer



Guy Youll
Chief People Officer



Victoria Mcleod More
Finance Director



Jono Jenkins
Commercial Director



Duncan Goodwin
Head of Risk & Compliance



Justin Carter
Managing Director - Lounge



Tom Trenchard
Property Director



Katherine Symonds-Moore
Independent Sustainability Expert



Kate Lister
Marketing Director

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Community

We exist to bring people together. We want everyone to feel comfortable and welcome at their local Lounge – whether we're welcoming friends, families, colleagues, or a couple on a first date, we want every Lounge to develop loyal customers who spread the word and come back time and time again.

We are looking at what else we can do to build community spirit outside our four walls. We want to help those who need it most by raising money for charity, donating meals, and making connections in our local communities.

Bringing people together

Our sites sit in the heart of communities all over the UK. We aim to offer a home from home where everyone is welcome – from children to the elderly; people managing their budget to those looking for a big night out; and where every race, religion, sexuality, and gender should find a safe space.

In late 2023, we introduced seven new Regional Community Managers to help us to deepen these community interactions. They are focused on supporting our teams to make closer connections with their local area, connecting with community groups and organising or facilitating events in our sites, from parent and baby groups to quiz nights, painting classes to coffee mornings.



What's next

We have set ourselves a goal to host

10,000 community events

in our Lounges. This could be anything from using our space free of charge – from welcoming a knitting club, to hosting a Little Loungers' clothing and toy swap – anything that brings our customers together.



Case study – Fuego's Parent & Baby Group:

In October, Fuego's Parent & Baby Group began with a warm gathering of 5 parents and their little ones at 9:30am.

The feedback forms we distributed came back with glowing reviews, and parents shared their enthusiasm about returning. They mentioned that Lewes was missing this kind of gathering.

"We quickly learned from the first session and made some adjustments. We added more floor tiles and found a larger, cosier space. Fuego's meet-ups have been consistent, and during the latest one, they welcomed 10 parents and babies. They stayed on, enjoying lunch and a good few rounds of coffee."

– Joelle, Regional Community Manager

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Giving back

We encourage our Lounges to raise money and support good causes, all year round. We choose to support local, rather than national, charities because we want to help tackle the issues which are important to the communities where we trade.



A highlight in our community calendar is "LoungeAid". Every June, we encourage all our Lounges to participate in our annual fundraising drive for local charities across the country. In June 2023, we raised

over £80,000 for more than 150 local charities

through a range of activities from bake sales to sponsored adventures like the Three Peaks Challenge.



Although June is our big push, we encourage our Lounges to keep LoungeAid alive throughout the year. A key milestone is

"LoungeAid at Christmas"

when we encourage our teams to give back – whether it's through a giving tree, reverse advent calendar, or collecting donations.



Another way we give back to our communities is through our new openings. Whenever we open a new Lounge, we donate

50p from every burger and 20p from every coffee

sold within the opening month to a local charity. This typically raises **£1,000** for every new Lounge opening. In the last 12 months, we have raised **£70,000** through new opening donations and charity vouchers. In 2023/24, we expect to open over 30 new sites, so this soon adds up.



Meanwhile, over at Cosy Club, we partner with the charity UK Youth, and

have donated nearly £10,000 in 2023

through a mix of product donations in their opening month and a year-round on-menu donation of 25p on a key main dish.



What's next

We will continue to raise money for community charities and, from 2024 onwards, aim to raise at least **£100,000** via LoungeAid every year. In addition, we are now exploring how we can use our knowledge and expertise to help those around us and are piloting giving team members paid volunteering time so that can give back to their local communities directly.

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Case study – Santo Lounge's Pay it Forward:

In between the many lockdowns around Christmas time, Santo Lounge decided they wanted to support the local homeless community and decided on hosting a Pay It Forward board where customers could purchase food or drink which would be passed on to a local homeless charity.

As the contributions on the board grew, it generated more interest, with eventually just over £400 worth of items – these included Christmas specials, burgers, breakfast items, hot drinks, cakes and soft drinks.

Santo agreed with the charity (Two Saints) to deliver the food on Christmas Eve, so Kelly (FOH) and Steve (BOH) delivered the hot food to the charity which was then given straight to those in need.

The charity expressed their gratitude for Santo's support in feeding the homeless a hot meal at Christmas.

'It was really heartwarming and felt great to give back to those in need who lived so locally at such a tough time.' – Kelly, FOH Santo

LoungeAid

For LoungeAid in June 2023, the team at Palacio Lounge in Falmouth raised **over £8,000** for Teenage Cancer Trust by hosting bake sales, playing bar games, and organising a sponsored walk. The team on the walk travelled from Tretho Lounge in St Ives to Armado Lounge in Plymouth, visiting three other Lounges on the way.

Across our estate, our Lounges hosted 77 charity quiz nights, 44 raffles and 15 live music nights in June.



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Community meals

Food insecurity is a daily reality for growing numbers of households in the UK. As the cost-of-living increases, more and more people find themselves worrying about how to feed their family.



What's next

As a hospitality business, feeding people is part of our DNA. We know that food poverty is a serious issue, and we're undertaking pilots to understand the best way for our network of Lounges to be part of the solution, whether through giving away free meals to those that need it most.

This might be by giving vouchers to people who would love to visit a Lounge but are unable to do so - for example, a charity supporting the families of patients who are terminally ill. Or we might provide donations to food banks, or perhaps school lunches for those who can't afford them.





Customers

We are proud of what we put on the plate

Every day, thousands of people choose to eat in one of our venues. When they pick up the menu, there's something on there for everyone, whether they're avoiding meat, watching their weight, managing a food allergy, or looking to try something new. Whatever they choose, we know that our chefs will use good quality ingredients from trusted suppliers to create something delicious for them.

Healthy choices



We want to make it easy for our customers to make healthy choices, should they wish to. In addition to putting the calories per dish on our menus, we have made sure that we always offer a couple of tempting main menu items with

fewer than 800 calories

– and plenty of veggie side dishes.

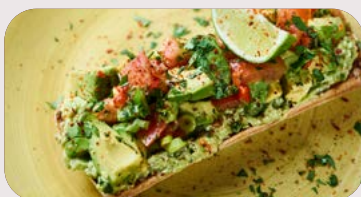


Our kids' food is a point of pride too, and we want parents to feel good about the choices on offer. In our Lounges, for instance, we provide a complimentary starter of crudites and hummus plus a carton of fruit juice with every order of a child's main course. We do not offer fizzy drinks on our Kid's Menu.



What's next

We want to fully understand the nutritional value of every dish and are now calculating the protein, fat, salt, and sugar in every recipe. Over the year ahead, we will work with a nutritionist to improve the nutritional content of our menus, set parameters for our healthier dishes, and look for ways to enhance the nutritional value of all our dishes.



Case study – Swapping in soybean:

Edamame is a complete protein plus a source of vitamins, minerals, and dietary fibre. We moved from 100% avocado guacamole to a **50/50** edamame and avocado blend. It's not just tastier and better nutritionally, it's also better for the environment.

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Something for everyone



Whatever they're hungry for, we want our customers to find something that's right for them on our menus. In fact, we are renowned for the comprehensive vegan and gluten-free versions of our menus that help to make it easy to identify those dishes.

More and more people are choosing to cut their meat consumption or avoid it altogether. We provide a separate vegan menu which contains

an average of 18 dishes

We have switched to gluten-free versions of certain standard ingredients to make our menu more accessible. We also stock gluten-free bread which allows us to make even more of our dishes gluten-free. Our gluten-free menu gives customers a choice of around 36 different dishes, on average.



Case study - Swapping chicken for cauliflower:

Our Bang Bang Chicken Noodle dish is one of the most popular items on the Lounge menu. In October 2023, we introduced a vegan version that swapped out the chicken and replaced it with cauliflower. It was an instant hit and a third of our sales of bang bang noodle are now vegan.



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Top quality food from trusted suppliers

We have very clear standards around what we put on our customers' plates. Some of these are about what can't be there – like MSG, hydrogenated vegetable oils or trans fats – and some of these are about what must be – such as MSC certified fish, or high-welfare British and Irish beef.

When we can, we choose free-range eggs (although bird flu has made this tricky for everyone lately), and we ask our suppliers to use the barest minimum of additives and to only use certified sustainable palm oil. Likewise, if our livestock suppliers choose feed with soy in it, we expect them to be getting it from a certified sustainable source.



What's next

We are committed to improving chicken welfare standards and have adopted the

Better Chicken Commitment for 100% of the chicken in our supply chain

and will meet all these standards by 2026, at the latest.



Case study - We are vigilant about allergens:

We understand that customers with allergies depend on us to provide them with a safe meal and we take that responsibility very seriously. We have a comprehensive Food Allergen Management process that seeks to minimise risk, and invite customers to filter our menu to their specific needs using dynamic allergy menus on our brand websites.

Want more detail?

Check out our Responsible Food & Drink Retailing Policy.



People

We care about our teams

Whether they are with us for a short time, or aiming to build a long career in hospitality, we want our people to feel great about working for us. They set the tone in our café restaurants, and they are responsible for the quality of the food and drink that we serve – so it is our interest to take good care of them and give them a great experience. Our independent, non-corporate culture allows us to do that in our own way.

Fair working conditions



In 2022, we launched

'The Commitments'

which set out what our site teams can expect from us in return for their commitment. We tell every new team member about these and continue to support our managers in delivering on these for their teams week-in, week-out.



In 2023, we updated the Loungers Employee Handbook, ensuring that our teams have access to all the information they need, from how to raise a concern through to what types of leave there are.



Every year, we ask the whole team how they feel about working for Loungers via an engagement survey – in May 2023, around half of our team completed it, giving *"I enjoy working for Loungers"* an

average score of 7.8 out of 10

and *"I feel accepted and can be myself here"* a score of **8.7**, demonstrating how strongly our team agree that they can simply be themselves.



We also run regular "Glue Crews" –employee-led focus groups where we can have more in-depth conversations with our front of house and back of house teams across different locations to find out what's working, what's not, and what we can do differently.



A full third of our team is aged 20 or younger, for whom the National Minimum Wage is just £7.49 per hour. We didn't think that was a fair reflection of their value to our business, and the important contribution that they make so

we choose to pay them a minimum of £8.24.

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We believe in trying to create real partnerships with our teams and so, since the IPO, we have granted

4,500 share awards

to our site-based teams, in return for their loyalty. This has strengthened team spirit and shown our people just how much we value their contribution.

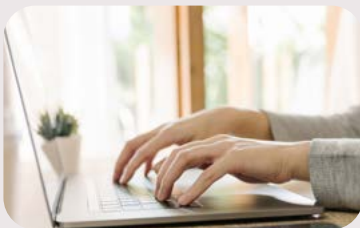


We know that our site managers work hard, so we give our site managers the chance to choose either a 40- or 48-hour-a-week contract, and we respect that. We have a rule that we pay our managers for every hour that they work above those contracted hours. This way, we guarantee that we don't take advantage of our teams when they work above and beyond what's expected.



What's next

Our annual engagement survey is proving invaluable, and we plan to run regular, smaller scale 'pulse' surveys throughout the year to better understand their feedback, see what the feeling is in different regions, and make sure that any changes we've made have been embedded successfully.



Case study - Listening to feedback:

Our 'Voice' email address gives our team an anonymous channel to raise issues related to Whistleblowing, work-related concerns, mental health – or anything they want to speak up about and don't feel comfortable going to their line manager with. This is checked daily by our People team at HQ to make sure that we are addressing queries from our team in a timely manner.



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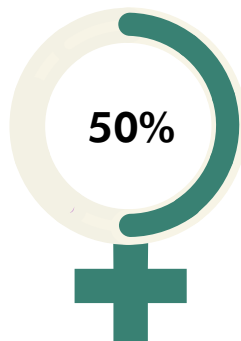
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Equity, diversity, and Inclusion

We want everyone to feel able to be themselves at work, whatever their gender, sexuality, race, or religion. We aim to have diverse workforce that reflects the communities we operate within and our annual engagement survey shows the positive feeling from our teams about the ability to be themselves.



Overall, more than **50% of our workforce is female** and we are challenging ourselves to have **40% of our senior leadership positions held by women** over the next five years. We are taking steps to ensure that we are equally represented across all roles in both sites and our HQ (Head Quarters). Ensuring the progression of female talent into senior roles is a key priority of our leaders.



What's next

We are a signatory of the Race at Work Charter, launched by Business in the Community, and, as part of this, we will begin to track the ethnicity of new joiners so we can better understand when and why they drop out of our recruitment processes enabling us to make changes.

We are exploring partnerships in Bristol to support young people from disadvantaged backgrounds and minority ethnic groups to fulfil their career aspirations. Through working with specialists, we intend to evaluate our approach to recruitment and how we can better appeal to young people from minority ethnic backgrounds. We also hope to give our HQ and Bristol-based teams the opportunity to give back to the local community through open days, by becoming mentors or other outreach opportunities.



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We support our people to grow

We strive to hire for attitude and potential and bring people into the business from any background.



Each year, we invite **over 200** newly joined Lounge, Cosy and Brightside managers to our HQ in Bristol to give them the opportunity to connect with our HQ and leadership teams. This creates a real sense of community, as well as providing an opportunity to give them the right knowledge to be effective in their sites.

This year, we piloted our first ever Assistant Manager to General Manager “Step Up” programme for 25 managers in Cosy Club and Lounge, aiming to give structured career development to our future leaders. We plan to grow this in the coming years and extend it to other roles.

One of the most important Commitments is ensuring that every team member gets a **1-2-1 every six months**. This gives our people the opportunity to talk to their manager about their career, gain valuable feedback into how they’re doing, and make sure we’re creating development opportunities for those that want them. This applies to everyone in our business, from our site General Managers through to our back of house kitchen assistants.



What's next

We're in the process of launching 'career maps' for our sites to help clarify the career opportunities on offer and what training & development people need to do to progress with us. These quick visual guides for managers and team members show how to advance through our business from a server or kitchen assistant all the way through to an Operations Manager, and show the core training that's required.

FRONT OF HOUSE



BACK OF HOUSE



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An employer of choice

We want our people to love working here, to feel fairly remunerated, and to take full advantage of the benefits we offer such as paid breaks with food on shift, a

50% staff discount from day 1

and our Employee Assistance Programme.

We recently introduced private family healthcare for our area managers as we know the importance of health to both wellbeing and performance.

Every year, we take our Regional and Area Managers away for a few days in the sun, to give them time with our leadership team – and each other – to talk about our business, what's going well, and what we want to change. As well as being a chance to say 'thank you' for everything they do, this helps to strengthen relationships and keep morale high.

But our famous way of saying 'thank you' to the wider team is **LoungeFest**. Each year, we shut every site for 24 hours to bring together teams from across our network to let their hair down and spend time with friends – all on us. It's our way of saying thank you for their hard work, day-in, day-out. This year, more than **3,000 team members** attended our event near Malmesbury.





Planet

We deliver hospitality sustainably

When you visit a Lounge, Cosy Club or Brightside restaurant, you'll notice our penchant for vintage furniture and art – we prefer reclaimed things to new stuff. This attitude flows into other areas too: we want to make the best possible use of nature's resources, and keep our environmental footprint as small as possible.

Cutting carbon



We have set a target to be running net zero operations by **2035** and want to be net zero on scope **3 by 2050**.



This year, we worked with an external carbon expert to estimate our Scope 1, 2 and 3 carbon footprint for our previous financial year (ending March 2023). It was **135,000 tonnes CO2e** – equivalent to running **33,000 petrol cars for a year**.



Less than 10% of our footprint comes from our own operations but this is where we have the most control, so we have conducted a review of how we use energy in our sites and launched a campaign to raise our teams' awareness of wasted energy with the aim of changing behaviours.



The other **90% comes from our supply chain** – mostly from the ingredients we purchase to make the food and drink we serve to customers – so this is what we will concentrate on next.



Case study – TCFD:

This year our annual report and accounts included our first reporting as required by the Taskforce for Climate Related Financial Disclosures. We also published a separate, more comprehensive, TCFD report on our website, which we will use as the base case for reducing our carbon footprint, going forwards.



What's next

We are working with Amber, our energy buyers, to explore the possibility of switching to

100% green electricity

We are also improving our data collection, so it is easier for us to spot anomalies in our energy use, and to set energy reduction targets.

Improving our understanding of our carbon footprint is key.

We know it is vital to work with our suppliers to reduce the impact of our ingredients and, in the year ahead, will drill down on our Scope 3 emissions so we can begin factoring this into our menu development.

Building better

The best way to use less energy is to create buildings that need less energy. We opened **29 new sites in FY23** and plan to open **34 in FY24**, which puts our property acquisitions, construction, and fit-out teams at the forefront of our mission to deliver hospitality sustainably.

At new sites, we favour electricity over gas, specify LED lighting throughout, and set up close controls on all our energy using systems such as lighting, heating, and ventilation. We also use Air Source Heat Pumps for our heating and cooling systems as they make much more efficient use of energy than traditional boilers.

Across the whole estate, we are phasing out the use of external heaters and are installing cellar-management systems that reduce the energy required to keep beer at the correct temperature.

We have also improved our ability to mend things and now have seven in-house maintenance managers who are able to repair our fixtures, fittings, and equipment so we are replacing them less often.



What's next

We are working with our suppliers to conduct a review of all our kitchen equipment to see if we can switch to more energy-efficient models. We will also be evaluating different measures to keep the air temperatures comfortable in our venues in the most efficient ways possible.

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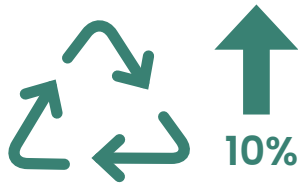
Reducing waste

Through our choice of waste contractor,

we have already achieved zero waste to landfill

but wanted to see more of our waste being recycled or composted, and less of it being incinerated in an Energy From Waste plant.

During 2023, we conducted a review of our waste management processes and trialled a new bin system to make sure recyclable items are ending up in the correct bins. We have also done a big push on segregating food waste, so that it can be composted. We are now rolling it out across our whole estate, investing £54,000 in new equipment for our site teams, and collecting data so we can track progress against our target to **increase recycling by 10%** and increase the volume of food waste we collect by **20%** by the end of 2024.



Case study - Reusable packaging:

We have been working with our suppliers to reduce the amount of packaging that comes into our kitchens, preferring reusable crates for produce rather than single-use cardboard boxes.



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What's next

We know how motivating it is to get positive feedback so are working with our waste contractor to improve our data collection for waste. This will allow us to track increases in recycling and composting over time, enabling us to celebrate success with our teams.

We are also exploring where we can remove items that are causing waste – particularly anything deemed 'single-use'.



Case study – Avoiding food waste:

We noticed that coleslaw was one of the items most commonly thrown away so stopped adding it to the side of our sandwich plates. Similarly, we no longer add a whole ciabatta to our tapas boards and, instead, only pair bread with the dishes that suit it, and bring more if a customer requests it.



Case study – Donating surplus food:

We occasionally order more food than we need. When we know something is surplus but still well within its use by date, we can offer it to people in need through the charity FareShare. In the last year, we have donated food with a value of £6,000.

Conserving water

Like every hospitality business, we use water for washing dishes, cleaning equipment and floors, and to flush the loos. This year, we took a closer look at our water use to better understand what we are doing with it and see if we could use less. Having better data lets us spot anomalies and compare water usage at similar sized sites so we can make interventions where needed.

Better data has also allowed us to test the impact of new equipment.

All new sites are now being fitted with toilets with super-efficient low volume flushes and urinal cisterns, and aerating mixer taps which require less water. Another area of high water use is our pot wash, where all the washing up gets done. Here, we are phasing out rinse hoses and replacing them with a trigger-activated lower volume sprayer.



What's next

When meter readings reveal that a particular site is using excessive water, **we will introduce secondary metering** to identify leaks or faulty equipment.

We currently use water-cooled ice machines in many of our sites but have identified these as one of our biggest water users. We are now exploring the potential savings of switching to an air-cooled version and will introduce this in our new sites and, over time, in our existing estate as we do kitchen refits.



Suppliers

We are working with our partners to raise standards

Over the years, we have created a fantastic network of suppliers, many of whom have grown alongside us. This mutual success is built on trust, cooperation and having a great working relationship – and we are all invested in that continuing. So, as we seek to do more good in the world, we are looking at what we can do together to make a difference.

Raising product standards

In early 2023, we recruited a technologist to look after everything relating to standards for our food supply chain. This has given us the capacity to ask more questions and better understand where our suppliers are on their own sustainability journeys. As part of this, we sent out questionnaires asking them about all the areas where we have ambitions – such as only buying

100% certified palm oil and soy or sustainable seafood, or free range eggs.

This has allowed us to start conversations about what we are trying to achieve and how we might do it together.



What's next

Our aspiration is for our technologist team to do factory visits and see our products being manufactured, so we can explore ways to do things more efficiently and sustainably.



Case study – Better beef:

We buy **100% British, high-welfare beef burgers** from Dovecote Park, and have done since 2019. Like us, they're aiming to become a net zero business.

LOUNGERS PLC

COSY CLUB

LOUNGE



Ensuring an ethical supply chain

In addition to all our product-related questions, we wanted greater visibility of the broader ethical performance of our suppliers – specifically, how they treat their workers, and whether they are doing their bit for the planet.

So, in June 2023, we asked all the companies that supply us with food and soft drinks to connect with us on SEDEX – a platform specifically designed for sharing ethical data. More than half were already using the database and a further third have now initiated the process of becoming members. We are now connecting our membership to theirs, which then allows us to view the results of their SMETA audits and improve our understanding of their social and environmental performance. Again, this means that we can look for opportunities to partner with them to drive positive changes.



What's next

Once we have embedded SEDEX across our full food and drink supply chain, we will get to work on our non-food suppliers (such as building materials, furniture, and kitchen equipment) as well as service providers (such as the agencies we use to find cleaners). We aim to have completed this by the end of the current financial year (i.e. Spring 2024).



Case study -

We buy our coffee from Clifton Coffee Roasters, and have done since 2005. This B-Corp is big on ethical sourcing, buying 90% of their beans directly from origin and working to ensure that their coffee is traceable and free from exploitation.

Building Meaningful Relationships

We believe that scrutiny should be a two-way process and invite our suppliers to challenge us to up our game if they see opportunities we've missed. Part of this is about maintaining honest, open, and regular dialogue which makes two-way feedback easier.

We hope it goes without saying that we aim to be a good customer to all our suppliers. That means having a clear written agreement in place, paying on time, and honouring our contract. We want all our suppliers to be confident that they will be treated fairly.

Final Word

As the co-founder and chairman of Loungers, I'm very proud to be part of a business that takes sustainability seriously. We have always approached everything we do with integrity because what we do, and how we do it, matters. I am determined that we will build on the great start we have made this year with our new sustainability strategy.

As we grow, so will the amount of good that we can do: **more fairly paid jobs; more community engagement; more thriving suppliers; more nutritious meals** and **more happy customers**.

This is the first time we have put how we do business with people and the planet in mind into a document. We've always tried to place the good stuff at the heart of what we do and this Sustainability Report hopefully demonstrates that.

However, like everything we do, we are always relentlessly striving to improve and we are still learning. So please let us know if there's more you want to know, or something we haven't thought of:

Sustainability@Loungers.co.uk

Thank you,



I'm very proud to be part of a business that takes sustainability seriously.

Alex Reilley
Co-Founder and Chairman