



2022 impact report

[1 january 2022 – 31 december 2022]



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a note from our founder & CEO



Thanks for taking the time to read our 2022 Impact Report. This report shares what we've been up to over the year, along with plans and commitments for the years ahead.

I've told the story of how itsu started many times. I first visited Tokyo in the winter of '94 and fell in love with the harmony and precision of the food. I returned home inspired to make this a reality, opening the first itsu restaurant in 1997.

Over the last 25 years itsu teams and customers have helped us create new and pioneering dishes and ingredients for our restaurants and supermarkets. We believe eating well is a right for the many, not a privilege for the few. Creating delicious health[lier] food at affordable prices isn't easy but then neither was landing on the moon. We'll get there. One step at a time.

This year saw us take a stand – we removed tuna from our menu, we started working with The Food Teacher™ on new school initiatives, we opened 12 new restaurants, we launched 11 new grocery dishes and finalised 20 more... we celebrated our 25th birthday, all the while we continued to challenge ourselves to do better for our fragile planet.

I promise we'll keep listening, learning and staying restless for another 25 years.

Julian Metcalfe





1. beautifully done



We nurture itsu for tomorrow, mindful of the health and well-being of our customers, employees, and fragile planet. With your support, we've achieved considerable milestones on our journey. Here are some numbers from 2022.

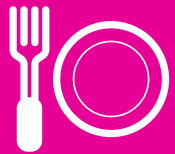


102

'green top' recycling bins across our shops

0

tuna sold in our restaurants by year end



55,001

meals donated to FareShare



756

promotions

19



team members crowned green champions

770,391



dishes sold on half price benches



12

new temples to health[ier] fast food

257

new jobs created





2. who we do it for



Our people

We put our people at the very heart of everything we do at itsu. We develop, engage and reward our teams whilst championing our itsu qualities [IQs].



Our customers

We recognise that without our customers we're nothing. Our customers expect high-quality, nutritious, sustainably sourced meals and ingredients. Like us, our customers want to know where our ingredients come from to ensure no human rights were violated and that scarce resources were protected.



Our investors

After 25 years, itsu's original shareholders, operators and senior employees still own and control 70% of the company. Global investment firm Bridgepoint acquired a 30% minority stake early in 2021.

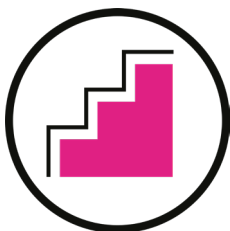




IQ's [itsu qualities]



I want to grow



- ✦ We see the potential in our people.
- ✦ We grow our leaders from within and encourage everyone to be brave, be bold and be themselves.
- ✦ We want to keep learning and be better.

I care



- ✦ We genuinely care about our people and our customers.
- ✦ We build an inclusive, diverse and respectful company by listening to, caring for and recognising each other.
- ✦ We long to be kind to our planet and build the itsu of tomorrow.

I build trust



- ✦ We build trust with everyone around us.
- ✦ We are consistent, honest and treat each other with respect whilst always being true to our word.
- ✦ We encourage and empower our people.

I take pride



- ✦ We take pride in everything we do.
- ✦ We have a passion for quality and excellence, always aspiring to simplify and innovate.
- ✦ We enthusiastically embrace change and new ideas.

3. our value[s]

In summer 2022 we launched our 6 [values]. Value for money, the nutritional value of our dishes, the value of our customers time, as well as the value of the hard work done by our teams is all important. Furthermore the value of our health, the value of good design, the value of a warm welcome and shared meals with friends and loved ones... it's all precious and hard to value.

#1 eat beautiful

eat beautiful is value no 1. and guides all of our decisions. Asian-inspired, affordable, nutritious food made with quality ingredients, respect, precision and passion. Powerful, authentic, umami flavours and innovative fusions are our goal. Ancient culinary techniques and craftsmanship are celebrated by our skilled suppliers across Japan, Korea, China and Vietnam and in our orchid-filled restaurants worldwide. The utmost love and care go into every detail, from raw produce to final presentation.



#2 health & happiness

itsu's Asian-inspired food is nutritious, light and delicious. We celebrate balanced nutrition [not diets & denial] – in the world of fast food we are visionary and completely unique. Our restaurant menu is protein-packed, about 40% plant-based and full of fresh vegetables, vitamins, fibre and flavour. Our dishes are mostly under 500 [good] calories, full of wholegrains, greens and fermented soy. When creating grocery and restaurant dishes we use huge amounts of healthy ingredients full of flavour like seaweed, miso, toasted seeds, herbs and ginger.



#3 steamed, not fried

Whilst others fry, itsu steams. Steaming locks in vitamins and nutrients and keeps unnecessary saturated fat out. The cleanest way to cook – steaming is in perfect harmony with our vision and values. In our restaurant we steam everything from our proteins to bao to edamame beans – a radical commitment to our customers. Fast food is commonly deep fried and cheesy [or both] to provide customers with addictive fat and a generous mouthfeel. itsu turned its back on this and swims upstream, against the tide.



3. our value[s]

#4 there is no planet-B

We nurture itsu for tomorrow forever mindful of the wellbeing of our fragile planet. This means working with suppliers who love and care for their crop, their people and their impact on the world. You'll find milestones, big and small, updated regularly below. Some changes are more impressive than others, we celebrate them all, to remind ourselves that little things make big things happen.



#5 careers, purpose & passion

We recognise the power of providing our employees with a true sense of purpose, skills and a fulfilling career where their passion and hard work result in success and fulfilment. Our people are our heart and hope for a bright future. We want to work with employees who look up rather than down and we pay them as much as we can afford rather than as little as we can get away with. Wherever possible, we promote from within; many of our execs, heads and managers started in the kitchen. Accountability, responsibility, trust and more freedom help our people grow as individuals and ensure itsu grows as one successful team.



#6 freshly made, on the spot

We insist on using nutrient-rich, fragile and fresh ingredients with a short shelf life for all our sushi boxes. Many of our signature grocery products, made by partners using authentic quality ingredients and methods, are created to be freshly steamed before serving.



eat beautiful

eat beautiful



sustainable ingredients

In 2022 we formalised and published our **itsu Animal Welfare Policy**, we will always work incredibly closely with our proud and passionate suppliers and continue to seek advice from Animal Welfare specialists when needed.

In our restaurants

100% of our salmon is sourced from RSPCA certified fisheries in Scotland and ASC certified fisheries in Norway.



100% of our eggs are free-range.

100% of our chargrilled chicken comes from Red Tractor certified British farms.



100% of our prawns are sustainably farmed.

Our grocery products

100% of cocoa used in our rice cakes is Rainforest Alliance certified. Our chocolate bao'buns are ready to launch in 2023, they too will be Rainforest Alliance certified.



100% of prawns are sustainably sourced.

100% of palm oil is RSPO certified.



sea change



The Indian Ocean Tuna Commission (IOTC) published its Scientific Committee report in February detailing the results of the long-awaited yellowfin tuna stock assessment.

The results show that, despite having had a stock recovery plan in place for five years, yellowfin tuna stock is still overfished.

A substantial catch reduction of at least 30 per cent is now essential to save the Indian Ocean yellowfin tuna stock.

We took a stand.

**In May we replaced
the wild yellowfin tuna
on our restaurant menu
with sustainably farmed
jumbo sushi prawns**



responsible procurement



We're incredibly strict when it comes to who we'll work with, we've worked with many of our suppliers for over 20 years.

To ensure good practice within our supply chain we've formalised a Human Rights policy. As of May 2023 all of our suppliers will be required to align and sign off on our supplier code of conduct.

SEDEX

SEDEX is one of the world's leading ethical trade service providers, supporting businesses to improve working conditions in global supply chains. The organisation provides practical tools, services, and a community network to help companies improve their responsible and sustainable business practices, and source responsibly.

itsu [grocery] now have oversight of 92% of our suppliers. We aim to have 100% visibility by the end of 2024. 2022 saw our retail business become SEDEX accredited with oversight of over 75% of its supply chain.

Sedex Member





#2 health & happiness



health[er] food, fast

We're determined to create dishes for customers who are searching for a little more beauty and a little less ugly.

The itsu **eat beautiful** menu consists of seasoned wholegrain brown rice; steamed chicken, 17 different core vegetables and herbs, noodles, steamed gyoza, bao'buns and sushi boxes.

Our restaurants will never have a central production site. We chop, steam and assemble at each site... This ensures freshness and quality.

Every day, half an hour before closing, our restaurants hold a half-price sale.



770,391

dishes sold on half price benches



Most of our dishes are under 500 good calories, are naturally low in saturated fat and high in fibre.



health[ier] food, fast



in our restaurants

As a result of coaching, diligence and lots of hard work 100% of itsu sites have successfully achieved a food hygiene rating of 5/5 since June 2016.



our grocery products

Since 2019 we have achieved and maintained BRC Agents and Brokers certification AA grade, the highest grade available for announced audits.





plant-based

In our restaurants

22% of our sales were vegan. This summer we launched three new vegan stir-fry style noodle dishes.

- Thai stir-fry style udon noodles
- Korean spicy stir-fry style udon noodles
- Katsu curry stir-fry style udon noodles

Our development chefs are hard at work developing lots of delicious new plant-based dishes for launch in 2023.

Our grocery products

Plant based products accounted for **58% of grocery sales in 2022.**



We have 23 innovative new products launching in 2023, 20 of which are suitable for vegetarians including vegan chocolate bao'buns



#4

there is no
planet-B

itsu
eat beautiful



packaging

The world is producing c.300 million tonnes of plastic each year. We are determined to increase the circularity of our packaging.

- 79% of all our primary and secondary packaging is recyclable in our restaurants.
- In our restaurants our dipping pots and are wooden cutlery are now 100% biodegradable.
- Our bamboo chopsticks are biodegradable and 100% FSC approved.
- We're still working on the world's first paper spork, version 3 still isn't right but we will have cracked it in time for summer 2023.





packaging

our grocery products

In 2022 91%* of our packaging was recyclable kerbside or through in-store recycling points. Non-recyclable elements of our packaging are films or sachets which are too small or contaminated to be recycled.

We're always treasure hunting for different ways of doing things – we invested in a cutting edge piece of tech this year that drops our veg sprinkles directly into our noodle cups, no more plastic sachets.

We also changed our noodle cup from cardboard to sleeve, this equates to 52.2% less packaging per cup and 10 tonnes of cardboard per year.

2023 will see plastic trays and film from our frozen bao bun boxes removed, projected to save over 2.5 million pieces of plastic per year.

We are proud members of OPRL and use their Recycle or Don't Recycle labels wherever possible on pack to help customers recycle their waste correctly.

The recyclability of our products is important to us, and to our customers. We will continue to challenge ourselves and our suppliers to do everything technically possible.



We removed the plastic dipping sauce sachet from frozen veg gyoza packs, saving 3.7 tonnes of plastic per year



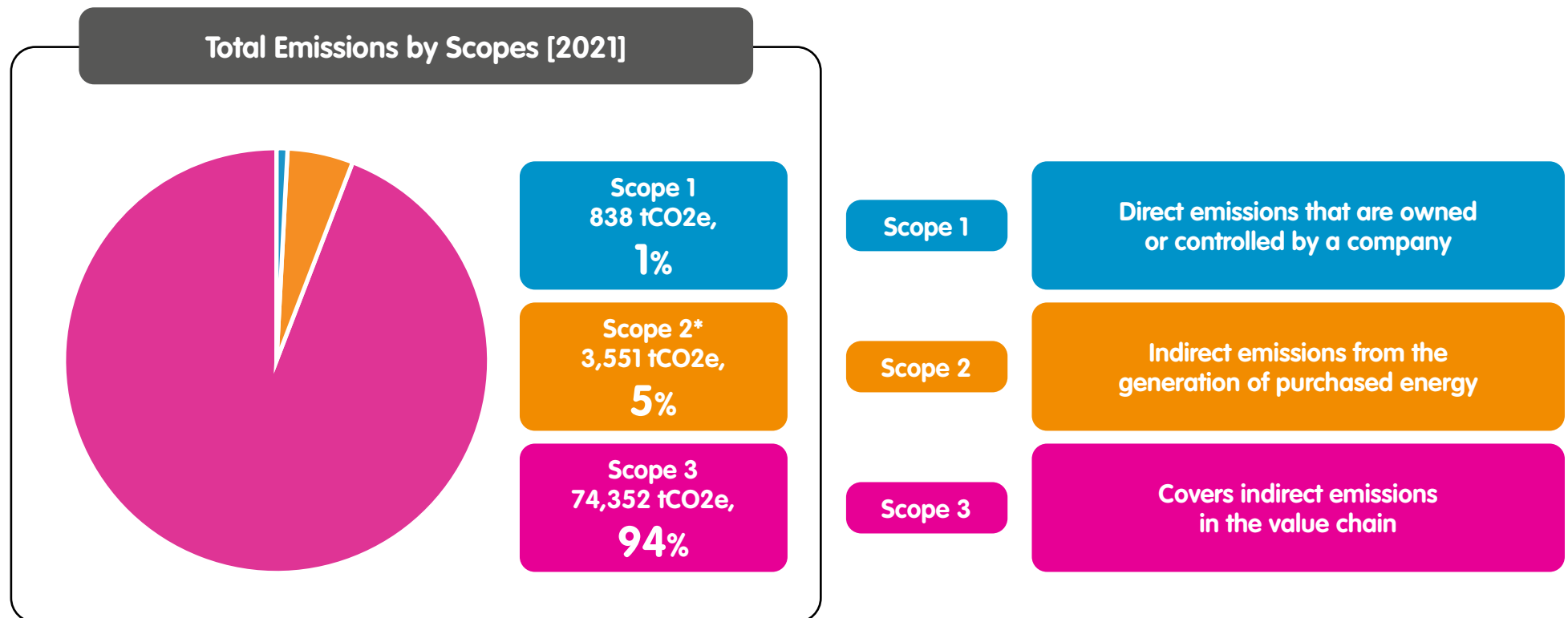
We spent hundreds of hours working on a trayless seaweed thin solution which we're really excited about launching next Autumn

* This figure is a significant increase vs. 2021 as we have moved from calculating number of recyclable packaging components to weight. We're always looking at ways to improve our reporting and weight provides a more accurate reading.

our journey to net zero

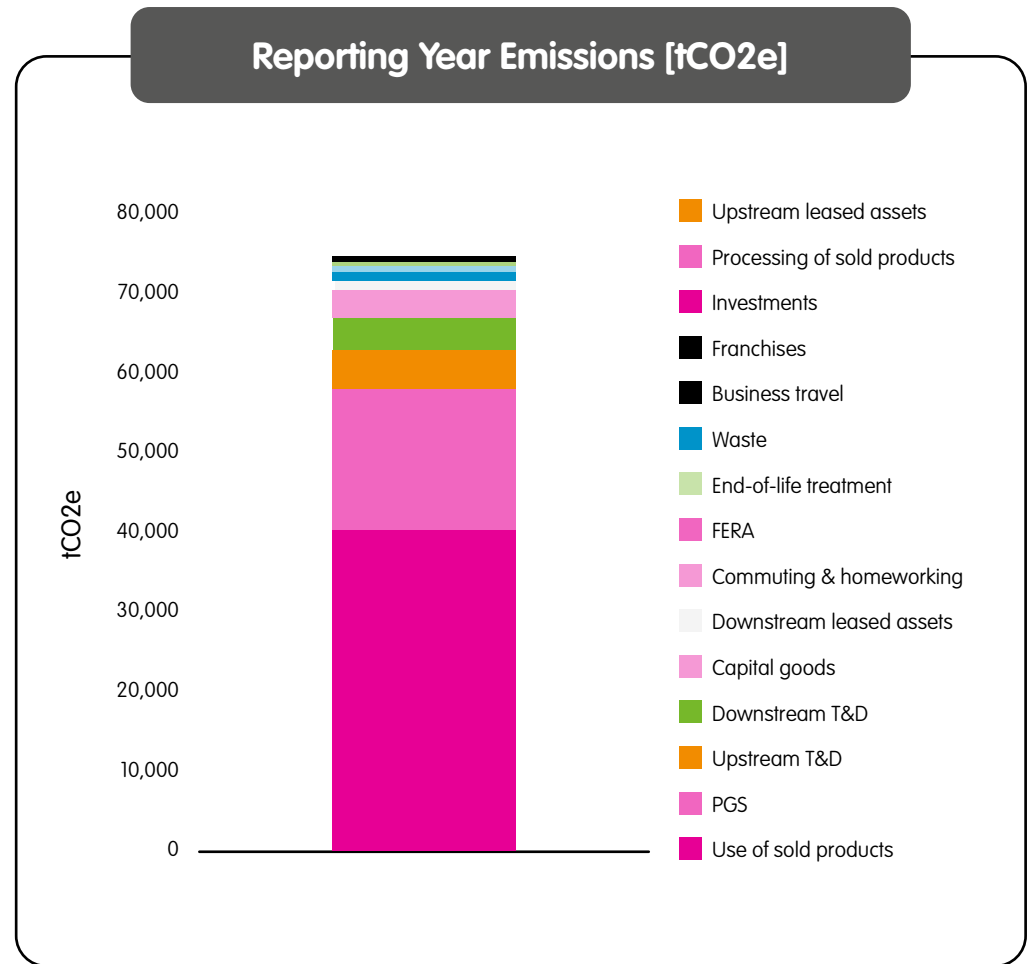
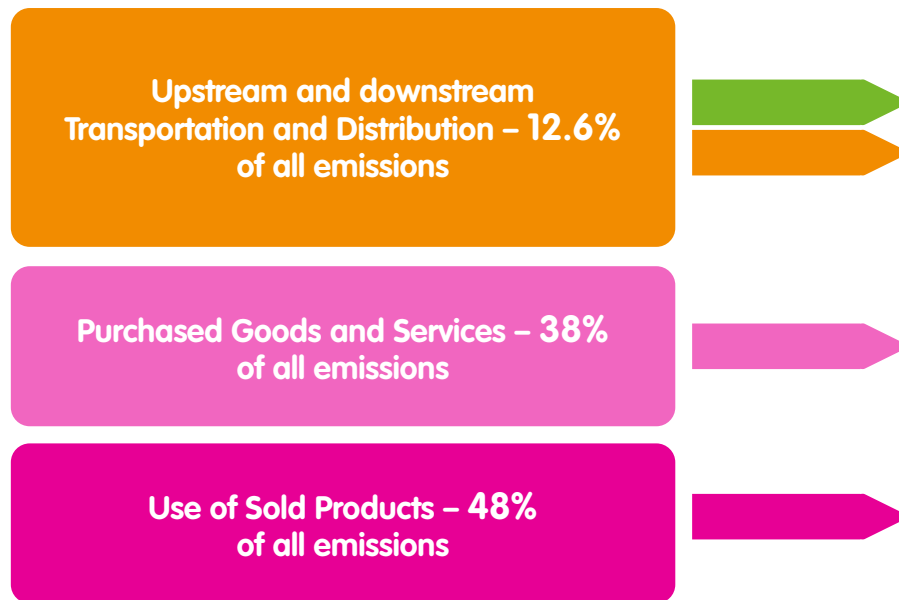
In 2022, we calculated our scope 1, 2 and 3 emissions for our whole operation for the first time, using 2021 as our baseline year. We found that scope 3 accounted for 94% of our emissions. [Scope 3 are emissions that are produced indirectly in our value chain.]

From calculating these emissions, we have committed to reaching Net Zero by 2045 and in 2023, we are focusing on our reduction pathways and long term strategy to meet our Net Zero date.





itsu scope 3 break down

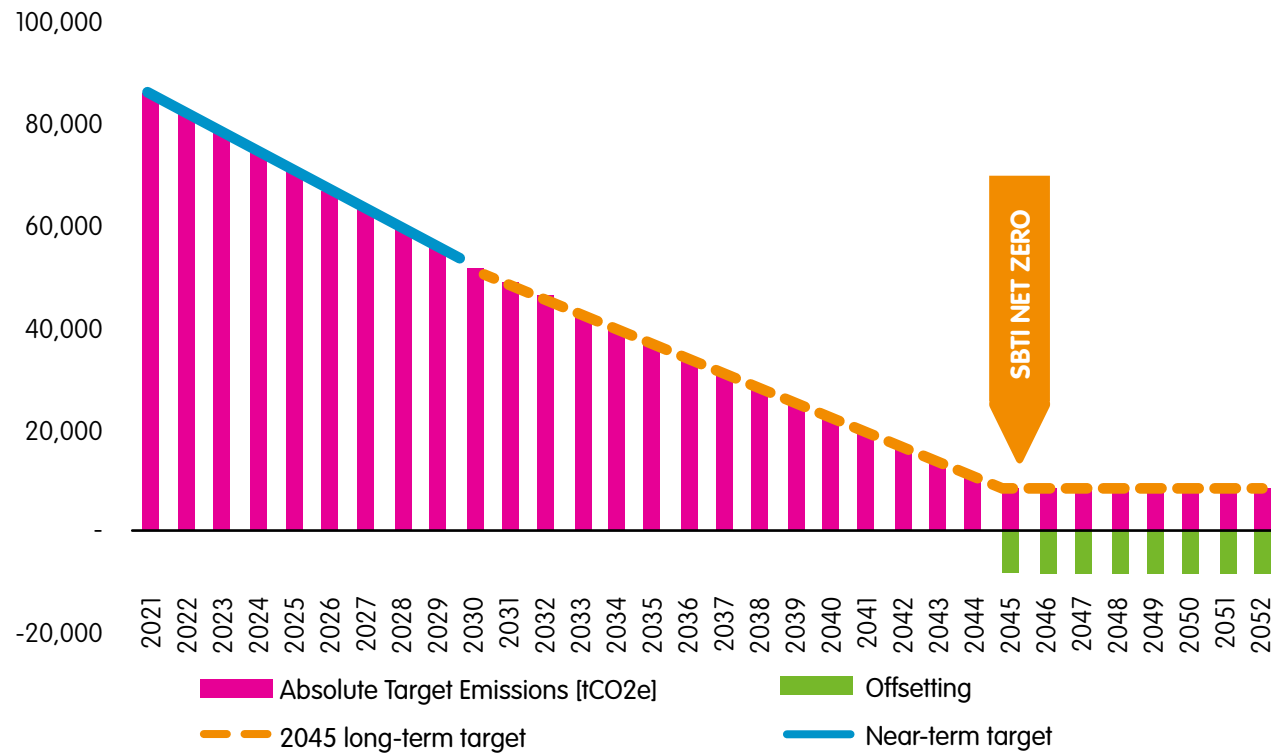




itsu carbon reduction target



Net Zero by 2045



Net zero by 2045

Aligned to 1.5°C



energy & waste



changing the way that we power our business and how we deal with our waste will be an essential part of our pursuit of net zero carbon emissions.

waste

we generate waste in our kitchens and after our customers have eaten with us. We follow the 3 steps of waste hierarchy – Reduce, Reuse, and Recycle.

Following years of trials we finished the year with recycling stations in all of our restaurants. We are already working on bin v.12 which we hope will further improve the experience [and volume of] restaurant recycling.

Last year we recycled 1,354,986 kg of waste. Through close cooperation with our waste partners, we have ensured that there is **no waste to landfill** from itsu sites. Our food waste is taken to anaerobic digestion plants [AD], where bacteria convert the food into biogas. The biogas undergoes a process and is converted into biomethane [renewable/ green gas].

energy

in our restaurants

Long standing energy contracts mean we're locked in with our current suppliers until September 2025, we will be making the change to renewable energy then. In the meantime we have continued with our fridge project, removing a further 15 fridges in favour of smaller, 75% more energy efficient alternatives.

Lee-Chie, who works within the restaurant property team, is determined to keep reducing our energy usage. He oversees monthly comparisons between our stores to understand what else we can do. Next year he'll rewarding our managers for reducing their energy consumption at our Quarter Briefs.



2023 will see timers and sensors installed. Work is ongoing to roll out our solar panel project in 2024.

#5 careers, purpose & passion





careers, not jobs

itsu has been built and is run almost exclusively by homegrown talent, people who look forward and upward more than they look down or backwards.

👉 We're proud to have created **257** new jobs across our restaurant and grocery businesses over the course of the year. We hope to hire even more talent in 2023.

👉 Agne [top left] joined itsu restaurants 8 years ago, she was promoted, for a fifth time, in March 2022 to Chief Operating Officer.

👉 We celebrated an amazing **748** promotions over the course of the year, 36 are now General managers who will be busy coaching, training and promoting their teams in 2023.

12 of the hundreds of people who were promoted in 2022





as much as we can afford



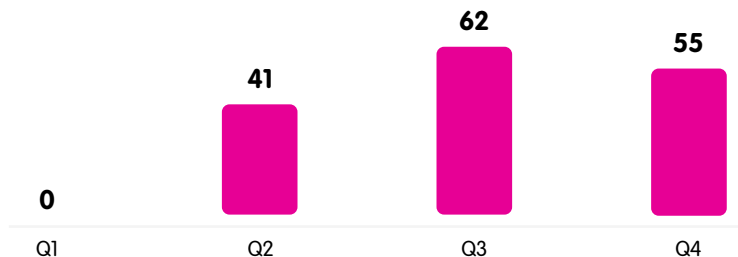
Harry



When something works we don't change it. Harry's survey was run again in 2022. This survey questions whether our people feel cared for, would recommend working at itsu to a friend and how they feel about their manager, well-being, pay and benefits. The results determine what we keep doing, stop doing, and do more of in the year ahead.

The beginning of 2022 was hard, for everyone. Our Employee Net Promoter Score [ENPS] was zero. Our People team had a huge job in not only re-opening our restaurants but re-engaging with our teams. It took a mammoth amount of energy, hard work, passion and love... but we got there, ending the year with an impressive ENPS of 55.

Employee net promoter scores



We are committed to always paying our teams as much as we can afford rather than what we can get away with. In 2021 we led the hospitality industry in increased hourly pay, we did it again in 2022. Restaurant wages were increased in May and September. The September increases saw salaries increase up to 22.6% vs 2022.

In September we also welcomed the first cohort of graduates to our grocery Future Leadership Scheme. Meanwhile Anna Maria announced market leading benefits packages that have been years in the making. They even made the news.

Benefits include

- paid time off for gender reassignment leave
- up to 40% of your salary to help you get your new home
- up to 6 months of paid parental leave
- interest-free commuting loan
- paid time off for menopause leave
- paid time off when unwell for everyone



We're always looking to improve our recruitment process which is why, in 2023, itsu [grocery] are adopting a blind CV process to ensure any bias is eliminated.



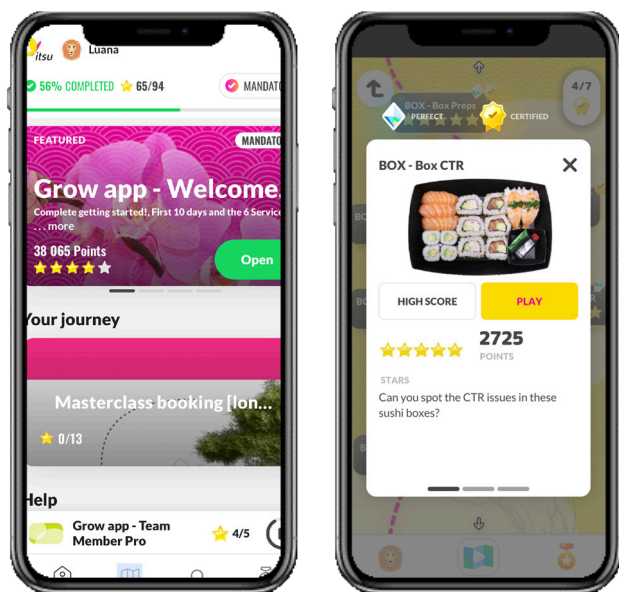
training & mental health



training

Training is a huge part of what we do at itsu. We believe the more you learn, the more you should earn. **105,668 gamified courses were completed on our grow app.**

Kelly's Cause Foundation and the People team successfully oversaw all of our restaurant Operations Managers and General Managers qualify as fully accredited Mental Health First Aiders. We also trained all Kitchen Managers in mental health.



mental health

Our mental health support platform Plumm went live in October for all itsu restaurant employees.

Meanwhile, Grocery aid has become an important part of culture within itsu [grocery]. We regularly run events to raise awareness and money... including cocktail afternoons, silent auctions and touch rugby [below]. We are very proud to have been awarded a Gold Award for our efforts.





community projects

Our aluminium refill flasks, made from 70% recycled aluminium, continue to be sold at a significant discount. 5p from the sale of every flask is donated to the Blue Marine Foundation, a charity dedicated to creating marine reserves and establishing sustainable fishing models. In 2022 nearly 150,000 customers helped us donate. We're looking forward to donating an ever increasing amount year on year.

10p from every veggie dragon roll sold goes to Blood Cancer UK, we were delighted to have donated nearly £25,000 over the course of the year.



Our [grocery] products are redistributed through FareShare, a network of frontline charities, reducing food waste and helping vulnerable people across the UK. 55,001 meals were donated over the course of the year.



We want to do more and are aiming to donate the equivalent of 100,000 meals in 2023

Work has started with The Food Teacher™, Katharine Tate, on developing our Community Kitchen Project [CKP].

Community Kitchen Project will celebrate the power of knowledge. Together with local teachers our restaurants and Academy teams will encourage and support nutrition education in schools, colleges and universities across the U.K. The CKP pilot will start with KS3 students in 2023.





leading the way

our board of directors

The board consists of Julian Metcalfe, our founder, Clive Schlee [Chair], Benoît Alteirac from Bridgepoint, Claudia Santagada, our itsu [grocery] CEO, and Celeste Tetley, our Group Brand Director. The Board continue to develop and guide our long-term strategy, in accordance to our [values].



whistleblowing

At itsu, we work hard to uphold our reputation by acting with honesty and integrity in everything we do. If these principles are compromised, we want to know about it. Our whistleblowing procedure is laid out in our 'Reporting Wrongdoing' policy and can be found on its'us.



anti-bribery & corruption

itsu is committed to conducting business in an ethical and honest manner; we have zero-tolerance for bribery and corruption and implement robust systems and processes to ensure that any such activities are prevented. Our Anti-bribery and Corruption policy lays out our commitment to uphold all laws relating to anti-bribery and corruption in all the jurisdictions itsu operates in. This policy applies to all itsu employees and any subsidiaries or their employers, whether they are based within or outside the UK.

