

# 2021 impact report



1st January - 31st December



# a note from our founder & CEO



itsu means 'when' in Japanese and is a good reminder of what our customers expect: convenience, consistency, affordability, and Asian-inspired goodness. The truth is, that whilst it's no easy task, people all over the world deserve healthier, affordable and convenient food - we're determined to provide it.

Convenience, affordability, and reassuring quality aren't much good without sustainability. The following report tells us [and you] where we stand today... What we do beautifully and what we do that is less so - a list of opportunities for improvement [which we are already hard at work on].

After 25 years, itsu's original shareholders, operators & senior staff still own and control 70% of the entire company.

Earlier this year - in the height of the pandemic - global investment firm Bridgepoint, whom I worked with to build Pret, bought a minority stake in itsu. Their investment allows us to expand and expedite our **eat beautiful** crusade. Meanwhile this report helps keep us restless when it comes to our commitments to our customers, our communities and our planet.

*Julian Metcalfe*





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# 01 beautifully done

**We nurture itsu for tomorrow,** mindful of the health and well-being of our customers, employees, and fragile planet.

With lots of customer support, we've achieved considerable milestones on our sustainability journey.

Here are some highlights over the last 20 years.



conducted an energy audit and, within months, launched air conditioning timers that reduced energy consumption by 15%



replaced single-use plastic straws with paper, saving 5 million plastic straws a year



removed our plastic knife completely, saving 4.2 tonnes of plastic



removed the plastic spoons from our itsu [grocery] noodle cups and pots



moved to a consolidation warehouse, meaning many less miles on the road

2012

2015

2016

2017

2018



**sale**  
everyday & forever  
half price, an hour

launched a half price sale in every itsu [30 minutes before closing] – massively reducing food waste

removed all single-use plastic bags from all shops



implemented a short shelf life process to reduce stock going to landfill to near zero, distributing to charities and socially impactful clearance routes



our noodle cup became fully recyclable, we removed the plastic fork and reduced the plastic weight of the lid



In 2021, **772,476** sushi boxes & salads were sold during our half price sales

38% of our menu is now plant-based



introduced paperless receipts, saving trees and reducing the amount of BPA and BPS chemicals in the environment



signed up to the 'Better Chicken Commitment'



reduced the sushi vinegar in our rice, cutting salt and sugar by 16%



removed the plastic wrapper around our rice'noodles nest & replaced the black lids [not detected at recycling facilities]



moved to source cocoa from Rainforest Alliance farms only



committed to only using sustainably sourced prawns in our grocery products



removed plastic dipping pots from our sushi boxes, replacing them with 100% renewable paper [removing 9.4 tonnes of plastic]



replaced plastic noodle pot lids with foil [removing 38 tonnes of plastic]

we kickstarted our physical and mental well-being programme for all

Our ESG Committee was formed to align our ESG objectives and track our ESG metrics

2019

2020

2021



introduced metal spoons across our shops, sold at cost price. We also introduced our pink spork that is 100% recyclable [removing 10 tonnes of unrecyclable plastic each year]

in partnership with Meatless Farm, we launched our new Asian-inspired plant based meatballs



launched our aluminium refill flasks, selling them at a discounted price

removed 15 front of house fridges



we're very proud to have led the hospitality industry with an 11% pay increase [meaning a minimum of £10.40 an hour]

commissioned a Diversity, Equality and Inclusion review with a strategy and action plan for 2022



# 02

## who we do it for



### our people

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



### our investors

After 25 years, itsu's original shareholders, operators and senior employees still own and control 70% of the company.



### our customers

We recognise that without our customers we're nothing. Our customers expect & deserve high-quality, nutritious, sustainably sourced meals & ingredients.



## 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're constantly striving to learn and be better.



### I care

We genuinely care about our people and our customers. We've built 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.



# 03 our people we offer 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.



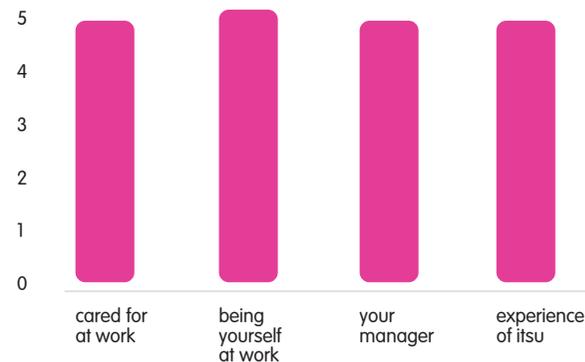
For instance, Claudia (pictured) started with us as a young intern and, within three years was grocery CEO; she has since nourished and encouraged many on their ascent at itsu. Likewise, most of our directors, managers, and team leaders started, like Julian, on the shop floor, learning on the job.



We're always asking our teams how they feel and how we can do more. **Harry's Survey** runs twice a year, named after our Group People Director Harry (above). Harry joined as an Ops manager in 2014 now he's responsible for 1,231 people across our restaurants & Academy. His team secretly nominated him for 'Engagement Leader of the Year' for all of his work in 2021. We're very proud to say he won.

Harry's 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 & benefits. The results determine what we keep doing, stop doing, and do more of in the year ahead.

Annual itsu happiness index 2021: Completion rate 80% across restaurants and the academy



## Physical & mental well-being

We have a dedicated well-being centre on our internal comms channel, its'us – here you'll find all sorts of information from mental health to money matters. itsu's Employee Assistance Programme, managed by a specialist external partner, also provides practical support for specific life events.

In 2022, we are launching several mental health initiatives to ensure we're providing the support our people need



We'll continue to work with **Kelly's Cause Foundation** to train our teams. By the end of 2022 we want all of our Operations Managers and General Managers to be fully accredited Mental Health First Aiders. We will also be partnering with **Plumm**, to give everyone at itsu the opportunity to speak to, or to text therapists whenever they need to, supporting their mental health journey.



## An international family

itsu is unequivocally an equal opportunities employer. We are proud to report that our teams come from 68 different nations. Our Equality & Diversity Policy is available on its'us. We know having a policy isn't enough so in 2020 we commissioned an external Diversity and Inclusion Report. As a result we have recruited self-nominated **Diversity and Inclusion champions** from across the business who report to Ganan [our restaurant CEO] & the people team.

Meanwhile we're very proud of our LGBT+ community. You will often find our teams fundraising and celebrating at events.



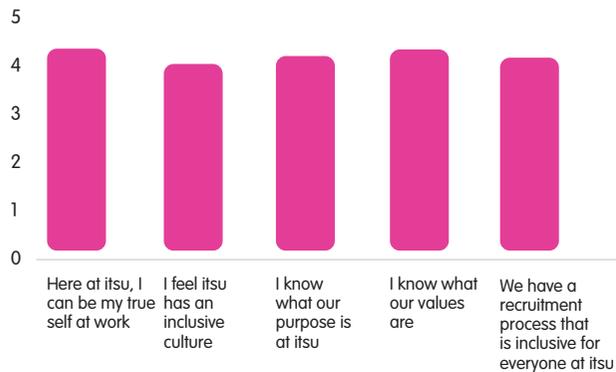
## Fair pay

Our 17/18 and 19/20 Reports showed that we had gender parity. However we did record a gender pay gap in 20/21. Thankfully this isn't a true reflection of our team as the majority were furloughed – we don't expect to see this again.

**100% of our people are paid above the minimum National Living Wage of £9.90 per hour. In Q4 we led the hospitality industry in a 11% pay increase to new and existing team members - meaning a minimum of £10.40/hr.**



## [D&I Survey 2021]



## We believe the more you learn, the more you should earn.

We also believe that learning should be fun. In 2019 we launched our first gamified **learning platform, Grow [app]**.

In 2017 we rolled out our first 12-month **General Manager apprenticeship Level 4**



**diploma in Hospitality Programme**, this was extended to include our kitchen managers & Level 3 in 2019.

In September 2022, our grocery team will be welcoming our first cohort of graduates onto the newly established **Leadership Graduate Scheme**, designed to hire and nurture our leaders of the future.

# 04 community projects

Our aluminium refill flasks, made from **70% recycled aluminium**, are sold at a significant discount and can be used an infinite amount of times. 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.

Our [grocery] products are redistributed through FareShare, a network of frontline charities, reducing food waste and helping vulnerable people across the UK.



In 2021 36,464 kg of itsu grocery products were donated to FareShare



Our teams walked the streets in aid of GroceryAid day, lots of us headed to the charity festival BarCode, and last but not least we were awarded a Bronze award for our fundraising efforts.

# 05 eat beautiful

itsu's eat beautiful menu consists of seasoned wholegrain brown rice; steamed chicken, 17 different core vegetables & herbs, noodles, steamed Gyoza, Bao and sushi boxes. Most of our dishes are under 500 good calories, are naturally low in saturated fat and high in fibre.

We steam, we don't fry.

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

**We've been labelling the calories and saturated fat of dishes sold in our front-of-house fridges since 2012.**

A full nutritional breakdown of all itsu restaurant menus and grocery product items can be found on our website, alongside allergen information.

In 2022 we will be providing more detailed information across all customer touch points, in accordance with Natasha's Law and new government legislation. In 2022 we will be rolling out our customer kiosks and a new, improved app allowing customers to search for menu items <500 and <250 calories.

## HFSS

[high in fat, sugar or salt]

Most of our Asian-inspired restaurant menu is under 500 calories and c. 90% of our menu and products are HFSS compliant.

80% of our grocery products are below 250 calories per serving. 65% of products are HFSS compliant.

## in our restaurants

All of our suppliers are either BRC or SALSA accredited. We take food hygiene and safety extremely seriously. Our in house Quality Assurance [QA] coaches are led by Kelley. Kelley and her team visit every restaurant four times a year to monitor our teams on health & safety, food safety and brand standards. 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.



# 06 plant-based

## in our restaurants

In 2021, 40% of our range was vegan, with almost half (46%) of itsu products sold on delivery and over a third (35%) sold in store being plant-based.

## our grocery products

Plant-based products accounted for 59% of grocery sales in 2021. We will continue to increase our range of vegetarian and vegan products with innovation such as vegan bao, meatless meatballs and veggie crystal rolls in the pipeline.



Plant-based products  
accounted for 59% of  
grocery sales in 2021.

# 07

## sustainable ingredients

In 2022 we will formally set out our itsu Animal Welfare Policy. Both restaurants and [grocery] have signed up to the **Better Chicken Commitment** and pledge to source all chicken to this standard by 2026.

### 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 palm oil is RSPO certified.

**100%** of chargrilled chicken & pulled chicken comes from Red Tractor certified British farms.



### our grocery products

**100%** of cocoa used in our rice cakes is Rainforest Alliance certified.

**100%** of prawns are sustainably sourced.

**100%** of palm oil is RSPO certified.



# 08

## responsible procurement

**We've worked with many of our suppliers for over twenty years. We are notoriously strict when it comes to who we work with.**

### in our restaurants

In 2022 we will finalise our Sustainable Sourcing policy. We will also develop a Purchasing Charter which will incorporate our supplier Code of Conduct and reflect our commitment to ethical procurement.

### our grocery products

All suppliers must complete a comprehensive sustainability scorecard. Suppliers are assessed on their environmental and responsible sourcing credentials before we start working with them.

We became Sedex members in 2021 as part of our commitment to being a responsible business, sourcing responsibly, and improving ethical standards and working conditions within the supply chain.

We will be working with Sedex to develop our first "Worker welfare & labour rights" policy in 2022. We'll also be expanding our Sedex membership across the whole of our direct supply base.



# 09 packaging

**Our restaurant and grocery teams work tirelessly with our suppliers to ensure that itsu packaging is made from increasingly higher proportions of recycled material.**

## in our restaurants

The majority of itsu packaging is made from plastic or card. 96% of our plastic is recyclable. Of our paper 48% is recyclable.

Our bamboo chopsticks are biodegradable and 100% FSC approved.

### Packaging footprint restaurants

	Tonnes	%
Plastic	329	31.6
Paper	709	68.4
<b>Total</b>	<b>1038</b>	<b>100</b>

## our grocery products

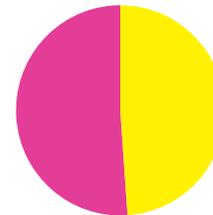
The majority of itsu [grocery] packaging is made from plastic or card 49% can currently be recycled. In addition, 15% of our product packaging comprises recycled material, and 17% of our packaging is compostable.

Improving our packaging sustainability is a crucial part of our product strategy. **By the end of 2022 we will have set challenging new targets to remove, reduce and ensure the packaging used across our product range is recyclable where technically possible.**

Our packaging is compliant with the Consumer Information Obligation, which ensures that we provide information detailing recycling advice and guidance for our customers. This includes how and where to recycle and a guide to recycling symbols and top recycling tips.

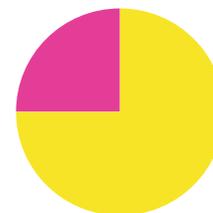
We are proud members of OPRL and use their Recycle or Don't Recycle labels wherever possible on pack to help customers reuse and recycle more material correctly, more often.

## packaging



- Recyclable 49%
- Non-recyclable 51%

## plastic



- Single use 75%
- Reusable 25%



# 10 our planet our journey to Net Zero

This is the first year that we have calculated our carbon footprint for our scope 1 and 2 emissions. This complicated calculation enables us to understand the significant emission areas of our businesses and create a benchmark to measure against future emissions.

To calculate our carbon footprint we included all emissions for which we are financially responsible for; including scope 1, 2 and partial scope 3 emissions (waste).

## in our restaurants

For itsu retail our gross carbon emissions for the year were 2314.3 tCO<sub>2</sub>e:

### Scope 1

Carbon emitted from mileage from company vehicles.

### Scope 2

Carbon emitted from building electricity usage.

### Scope 3

Carbon emitted from waste generated.

Carbon emissions table: itsu restaurants

01/01/21 – 31/12/21	tCO <sub>2</sub> e	%
Scope 1	22.1	1
Scope 2	2145.8	92.7
Scope 3 (waste only)	146.40	6.3
Gross emissions	2314.3	100
<b>Carbon footprint</b>	<b>2314.3</b>	<b>100</b>

## our grocery products

For itsu [grocery] our gross carbon emissions for the year were 25.08 tCO<sub>2</sub>e:

### Scope 1

Carbon emitted from natural gas usage.

### Scope 2

Carbon emitted from building electricity usage.

### Scope 3

Carbon emitted from waste generated.



Carbon emissions table: itsu [grocery]

01/01/21 – 31/12/21	tCO <sub>2</sub> e	%
Scope 1	24.75	77.5
Scope 2	6.82	21.5
Scope 3 (waste only)	0.33	6.3
Gross emissions	31.9	100
Less low carbon electricity	(6.82)	-21.5
<b>Carbon footprint</b>	<b>25.08</b>	<b>100</b>

## our journey to Net Zero

In 2022 our retail and grocery businesses are scoping a comprehensive Scope 1, 2 and material Scope 3 baseline emissions calculation. This calculation will enable us to set a glidepath and a Net Zero ambition. We will also set science-based targets to support delivery of our ambition by the end of 2023.

Whilst we are working towards our Net Zero date, we will look to offset our Scope 1 and Scope 2 operational emissions and achieve carbon neutrality between 1 Jan 2022 and 31 Dec 2025.

# 11 energy

One of the most significant changes we can make is to ensure that our electricity comes from renewable or low carbon sources.

## in our restaurants

Long standing energy contracts means we're locked in with our current suppliers until September 2025, we will be making the change to renewable energy then. Where our electricity is under landlord control, we will be reaching out to procure renewable or low carbon electricity.

Our 2019 ESOS report made a number of recommendations to reduce energy usage, such as replacing our Building Energy Management (BEM) systems, to improve connectivity, and enhance energy savings opportunities.



**In 2021 we removed front of house fridges from 15 itsu restaurants and replaced them with smaller fridges that use 75% less energy. This change will also see a reduction in energy consumption from cooling required in-store. The plan is to remove all front of house fridges by 2025.**

Energy table FY2021: itsu restaurants

01/01/21 – 31/12/21	kWh	tCO2e
Total electricity	10,105,869.3	2145.8
Renewable electricity	0	0
Gas	0	0
<b>Total</b>	<b>10,105,869.3</b>	<b>2145.8</b>



## itsu grocery academy

Energy table FY2021: itsu [grocery]

01/01/21 – 31/12/21	kWh	tCO2e
Total electricity	32,130.05	6.82
Renewable electricity	(32,130.05)	(6.82)
Gas	121,984.09	24.75
<b>Total</b>	<b>121,984.09</b>	<b>24.75</b>

# 12 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.

## in our restaurants

### Reduce

We currently have waste data for around 60% of our sites. This year we have extrapolated this data to estimate our waste output, going forward we hope to have true readings.

Our restaurants will continue with our half price sales, helping prevent food waste.

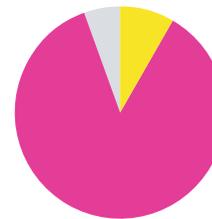
### Recycle

We will have recycling stations at 50 of our sites by the end of the year, our entire estate will have dedicated recycling bins by April 2022. We have clear signage requesting that customers dispose of liquids and food separately. 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).

We have commissioned a trial with our waste collection suppliers Biffa to improve our waste recycling service. **The 12 week trial, to commence in 2022, will test a dedicated itsu Split Body Vehicle with three waste streams (General Waste, Mixed Recycling & Food).**

Waste composition table FY2021: itsu restaurants

01/01/21 – 31/12/21	kg	%	Recycling (kg)	Incineration (kg)	Landfill (kg)	tCO2e
General Waste	2,931,320	91	0	2,755,760	175,560	140.7
Mixed Recycling	269,040	9	269,040	0	0	5.7
<b>Total</b>	<b>3,200,360</b>	<b>100</b>	<b>269,040</b>	<b>2,755,760</b>	<b>175,560</b>	<b>146.40</b>



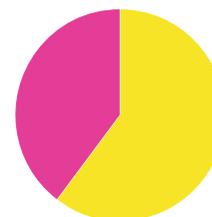
itsu restaurant waste destinations

- Recycling 8.4%
- Incineration 86.2%
- Landfill 5.4%

## our grocery products

Waste composition table FY2021: itsu [grocery]

01/01/21 – 31/12/21	kg	%	Recycling (kg)	Incineration (kg)	Landfill (kg)	tCO2e
General Waste	673	39.5	0	673	0	0.01
Mixed Recycling	1,034	60.5	1,034	0	0	0.02
<b>Total</b>	<b>1,707</b>	<b>100</b>	<b>1,034</b>	<b>673</b>	<b>0</b>	<b>0.03</b>



itsu [grocery] waste destinations

- Recycling 60.5%
- Incineration 39.5%

# 13 water

We will continue to take proactive water management steps, such as fixing leaky taps in good time. A single tap can waste up to three litres per day of water – more than 1,000 litres per year.

Water data table: itsu restaurants

01/01/21 – 31/12/21	m3
Water	20,818
<b>Total</b>	<b>20,818</b>

# 14 transport

This is the first year that we have calculated our emissions from transport. Whilst these emissions are by no means our most significant; they still provide opportunity for improvement. We have three vans at itsu restaurants, which collectively reached a mileage of 60,000 in 2021, with carbon emissions of 22.1 tCO<sub>2</sub>e.

Transport data table: itsu restaurants

01/01/21 – 31/12/21	mileage	tCO <sub>2</sub> e
Owned Vehicles – 3 vans	60,000	22.1
<b>Total</b>	<b>60,000</b>	<b>22.1</b>

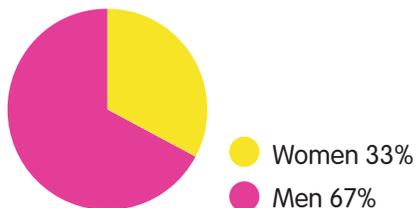


# 15

## leading the way

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

Board gender composition 2021



# 16

## ESG committee

The ESG Committee, formed in 2021, will be responsible for working with the wider Academy to integrate our ESG commitments going forward.

# 17

## whistle blowing

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.

# 18

## anti-bribery & corruption

itsu is committed to conducting business in an ethical and honest manner; we have a 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.