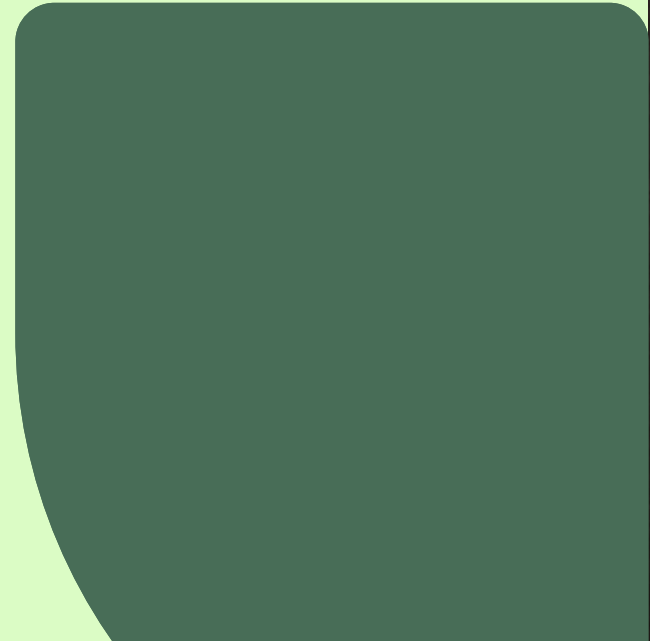


# 03.2 Our brands



Casual Dining



# Casual Dining

The Casual Dining business segment is the leading restaurant operator in Norway with an annual revenue of approximately NOK 1.4 billion across our 140 restaurants and cafés. Our restaurants, which include Peppes Pizza, La Baguette, Fattigmann, Kjøkken & Kaffe, Café Opus, Little Eataly, as well as Starbucks® and TGI Fridays™, cater to over 20 000 guest experiences each day.

For the Casual Dining business segment, it is essential to continuously improve our performance and ensure that our brands are operating in a socially responsible and environmentally sustainable manner. To achieve this, we have adopted a systematic approach towards setting goals, developing action plans, and reporting both internally and externally.

By taking a more proactive and systematic approach, Casual Dining can better manage risks and opportunities, and work towards achieving our sustainability goals.



## Our contribution to the UN Sustainable Development Goals

Casual Dining has identified four UN Sustainability Goals (SDGs) on which we focus. Each SDG goal lies at the core of our company's values and business objectives:

### Goal 3: GOOD HEALTH AND WELL-BEING

- Casual Dining works actively to create a good working environment and reduce sick leave.
- Casual Dining shall offer our guests safe food with good product quality.

### Goal 8: DECENT WORK AND ECONOMIC GROWTH

- Casual Dining will continue to be an inclusive employer, provide training and work practices, as well as be a safe and good workplace for our employees.

### Goal 12: RESPONSIBLE CONSUMPTION AND PRODUCTION

- Casual Dining focuses on using environmentally friendly and sustainable materials as well as reuse and repair where this can be done.
- Casual Dining is working to increase the proportion of "short-traveled" products. We define short travel as being within Scandinavia.

### Goal 13: CLIMATE ACTION

- Casual Dining will continue to reduce electricity and energy consumption at our restaurants.
- Casual Dining sets clear product requirements for all our suppliers to contribute to sustainable and safe products.



# Environment

## Carbon emissions

In 2022 our GHG emissions totaled to 870.5 tons of CO<sub>2</sub> equivalents (tCO<sub>2</sub>e). This is an increase of 251.3 tCO<sub>2</sub>e or 40.6% compared to 2021.

Our Scope 1 and Scope 2 emissions in 2022 were 413.4 tCO<sub>2</sub>e. This is an increase of 6.7 tCO<sub>2</sub>e, or 1.6%, compared to 2021.

Our 15.2% reduction in Scope 1 emissions was driven by a 39% reduction in petrol use for leased vehicles and the elimination of LPG for stationary combustion.

Scope 2 emissions from purchased electricity increased by 6.7%. We will continue to electrify our processes when possible while investing in energy efficiency measures to mitigate our overall impact and Scope 2 emissions.

Our Scope 3 emissions increased from 212.5 tCO<sub>2</sub>e in 2021 to 457.1 tCO<sub>2</sub>e in 2022. This 115% increase in emissions can be attributed to multiple changes in our carbon accounting process. Improvements in data quality related to business travel led to an increase in reported emissions from Scope 3 Category 6 (Business travel). Additionally, we were able to include both Category 1 (Purchased goods and services) and Category 3 (Fuel-and-energy-related activities) in the 2022 carbon accounting which increased our overall emissions measure.

With the inclusion of Scope 3 Category 1 (Purchased goods and services) we were able to account for the packaging materials we purchase throughout the year. The Casual Dining business segment is committed to using environmentally friendly packaging materials in our operations and has already removed plastic where possible from our food packaging. In collaboration with our suppliers, we are constantly looking for more sustainable packaging solutions.

Moving forward, we will remain dedicated to further expanding our Scope 3 inclusions as we improve our data quality and sustainability reporting. While we recognize that this expansion will result in an increase in measured emissions, Casual Dining is committed to continually reducing our carbon footprint.

Our GHG emissions, broken down into scope 1, scope 2, and scope 3 (as defined by the GHG Protocol) for 2022 are as follows:

- 79.7 tCO<sub>2</sub>e in Scope 1 (9.2 % of total emissions)
- 333.7 tCO<sub>2</sub>e in Scope 2 (38.3 % of total emissions)
- 457.1 tCO<sub>2</sub>e in Scope 3 (52.5 % of total emissions)

\*For consistent year on year reporting Scope 1 and Scope 2 emissions from 2021 have been recalculated in order to match the current year's operational boundary. As of 2022 franchises are no longer accounted for in our Scope 1 and Scope 2. The need to revise our operational boundary was driven by limitations in access to GHG emissions data from our franchises. We are unable to mandate our franchises to report emissions in line with the same standard as our owned and controlled restaurants.

### **Energy efficiency**

In 2022, we conducted an energy saving mapping (ENØK) to evaluate energy consumption in our Peppes Pizza and TGI Fridays™ locations with the aim to analyze potential energy consumption reduction measures.

With this data we were able to identify eight restaurants with high energy consumption. In restaurants that did not have their own facilities for heating, ventilation, and cooling, it was the food preparation that was the largest source of energy consumption.

After conducting the mapping, we continued with additional assessments and established an energy monitoring system equipped with deviation reporting and follow-up measures.

We are continually exploring opportunities to decrease our energy consumption. These opportunities are related to both facility upgrades for heating, ventilation, and cooling, and technology upgrades for more efficient food production. By targeting these high consumption

areas, we will be able to have the greatest effect on environmental impact.

### **Electrifying our fleet**

In 2022, our company's fleet rose to 85.3% EV, an increase of 4.3% from 2021. Our goal is to transition to 100% EV for our home delivery services. This will reduce our GHG emissions related to transportation and meet our customers' expectations of environmentally friendly delivery.

### **Plant-based options**

The Casual Dining business segment aims to influence society to increase plant-based consumption and reduce the consumption of carbon intensive animal products to mitigate the impacts of climate change.

Peppes Pizza offers a good selection of plant-based dishes to customers. In 2023, we will introduce the concept "Meatfree Week", building on the existing "Meatfree Monday" initiative. The aim is to increase sales of the vegetarian and vegan meal options. The products will also take

part in additional campaigns where customers will benefit from reduced prices on these plant-based alternatives. We hope these measures will contribute to a growing trend towards plant-based eating and a desire to reduce the environmental impact of food.

Starbucks has already made substantial progress in expanding its plant-based menu, currently offering 9 vegetarian and vegan options, which amount to half of the 18 products on their menu. In 2022, Starbucks sold over 100,000 vegan and vegetarian meals, which accounted for 37% of their total food sales. We will continue to meet customer demand for plant-based milk alternatives, with oat, coconut, soy, and almond milk all available. Starbucks has set a goal for all stores throughout Europe, the Middle East, and Africa to have 25% or more plant-based food options by 2024, demonstrating their commitment to meeting the evolving needs of their customers.

### **Sustainable packaging**

Starbucks International has been devoted to promoting the use of reusables and reducing single-use cup waste since 1985, when they began permitting customers to bring their own cups. Since then, Starbucks has introduced several innovative programs to reduce single cup waste such as reusable cup discount, cup charge, in-store recycling, and the returnable cup program. The Casual Dining business segment fully supports these programs and is working diligently with our Starbucks locations in alignment with Starbucks International's goal to become resource positive and reduce their waste by 50% by 2030.

Further, our brand Kjøkken og Kaffe gives customers a NOK 10 discount if they bring their own cup when buying take-away coffee.

Our company aims to minimize packaging use while providing convenient ways for customers to actively participate in sustainable practices. The entire Casual Dining business segment has replaced single-use plastic items with recyclable and compostable alternatives and is constantly working on further improvements.

As part of our commitment to improving the sustainability of our packaging, we engage in an ongoing dialogue with existing and new suppliers to encourage the development of sustainable alternatives. We are constantly testing new packaging solutions that can contribute efficiency, optimization, and more sustainable packaging practices.

As a member of Grønt Punkt Norge, we ensure that our suppliers are paying members who contribute to the collection and recycling of packaging. By doing so, we help to create a more sustainable society.

### **Reducing food waste**

The Casual Dining business segment recognizes the significant impact that food production has on global greenhouse gas emissions, accounting for approximately 30% of the total. To mitigate this impact, reducing food waste is a top priority for our company.

In 2023 all our brands will commit to "Kutt Matsvinn 2030," an industry agreement which aims to reduce 50% of all food waste by 2030.

The agreement, set by the industry and the Norwegian government, urges increased resource and waste material efficiency through the mitigation of food waste throughout the food chain.

In 2016 we introduced Too Good to Go, a service that connects customers to restaurants and stores that have surplus unsold food. In 2022, we rescued over 50.000 meals through the Too Good to Go app. This is a considerable increase from 2021. We believe that throwing away good food is a waste of both valuable resources and money.

### Focus areas for 2023

The Casual Dining business segment has identified several key areas of focus to enhance its sustainability practices in the year 2023.

These areas include animal welfare, packaging optimization, food waste reduction, and waste sorting practices.

Our company is dedicated to minimizing our environmental impact and reducing waste through the implementation of improved sorting practices. While our minimum requirement is to separate plastic and food waste from residual waste, we aim to do even better. By improving our sorting processes, we decrease the amount of waste that is deposited in landfills and increase recycling and reuse of materials, resulting in a more sustainable operation.

Each of our brands must take responsibility for creating their own targets and initiatives. However, we also maintain a higher level of oversight and continually monitor these endeavors. Our regular risk assessments play a key role in identifying any possible negative impacts on people and the environment.

### Cleaning action - Bølgen project

In 2022 Starbucks Norway joined the Bølgen project which helps companies prevent the littering of consumer waste. Together with Hold Norge Rent, Mepex Consult and Oslofjorden Friluftsråd (OF) Starbucks employees took part in a cleaning action and removed 60 kg consumer waste from beaches in the Oslofjord. Through the dissemination of knowledge about marine litter, they gained an insight into the problem of littering and got to analyze the findings and come up with good measures to prevent littering. Statistics from the beach clean-up showed that most of the waste came from styrofoam pieces, yarn scraps and plastic packaging, but also broken bottles, corks, and cups. Starbucks continues to participate in new and innovative sustainability-related projects and engage our employees in our sustainability efforts.

# Social

The Casual Dining business segment has over 1,700 employees in 140 restaurants and cafés, and we acknowledge our impact on the Nordic restaurant industry and the local communities in which we operate. We invest in our people and aim to create an inspiring and strong culture in line with our company values. Our values define our identity, embody our principles, and serve as a guide for our actions and decisions.

## Values

**CLEAR.** We say what we mean and have clear expectations.

**BOLD.** We dare to talk about the difficult things, and we dare to try new markets and products.

**LISTENING.** We listen to each other, our guests, and the market.

**HONEST.** We are transparent, we always play by the book, and never cut corners with our products or services.

**FAIR.** We have healthy working conditions, treat each other with respect, and can always be trusted.





### **We invest in future generations**

Casual Dining recognizes the importance of investing in future generations. We acknowledge that many employees may be starting their careers with us, and we take this responsibility seriously. We believe that providing a supportive and inclusive work environment helps our employees develop the skills they need to succeed. We offer training and development opportunities to all employees, regardless of their background or experience level. We collaborate with Kompetanse Norge, where we offer Norwegian language courses, mathematics, and computer training to our foreign employees. Our training initiatives ensure that everyone has the opportunity to learn and grow with our company. The Casual Dining business segment is dedicated to creating a culture of excellence that supports the development of our employees and the communities we serve. We believe that by investing in future generations, we can build a better future for everyone.

### **Health and safety**

Casual Dining recognizes that the health and safety of our employees is crucial to our operations. We are committed to implementing best practice safety measures to ensure a safe and healthy working environment. To prevent accidents and injuries, we conduct regular HSE (Health, Safety, Environment) training sessions for all employees and take the necessary actions to uphold these standards.

### **Food safety**

We believe our customers care about making conscious and sustainable food choices. Our restaurants ensure we offer customers high quality and safe food by setting clear expectations for our suppliers and ourselves.

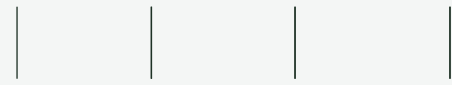
It is a prerequisite that all ingredients and products sold must comply with current and relevant laws, regulations, and standards for food safety and product quality.

We prioritize food safety to provide our customers with safe and high-quality food. We require that our suppliers are certified according to

GFSI approved standards for food production or have a satisfactory HACCP-based quality system in place. Our focus is on high quality and safe raw materials and products. We have removed certain additives, such as preservatives, sweeteners, and artificial colors and flavors from many of our products. We will continue to do so, even if these additives are permitted by regulations.

In accordance with the agreement for a healthier diet established by the Norwegian Directorate of Health, we strive to facilitate healthier choices for our consumers. As such, we are committed to not only reducing salt, sugar, and saturated fat content when developing our recipes and menus, but also increasing fruit, vegetable, grain, and seafood options.

Guests should have the option to select plant-based products from our menus. In the Nordic market the demand for plant-based products has increased in recent years. We aim to always offer alternatives to our meat products that meet our customers' demand.



### **We value diversity**

The Casual Dining business segment does not tolerate any form of discrimination, bullying, or harassment directed towards our employees. All employees are entitled to fair and equal treatment regardless of their nationality, race, gender, sexual orientation, or any other characteristic. We believe that by prioritizing the well-being of our employees and the sustainability of our operations, we can create long-term value for our stakeholders and contribute to a more just and sustainable future.

We strive to provide a supportive and inclusive workplace where everyone feels welcome and valued. In the restaurant industry part-time employment is common and represents 82% of our workforce. Our diverse team comprises 47% male and 53% female employees, who come from a variety of nationalities, races, and backgrounds. We consider our diversity a core strength, as it fosters a variety of perspectives and ideas that enhance our ability to effectively serve customers and communities.



# Casual Dining in numbers 2022

1724

Numbers of employees

755

Number of FTEs

53 %

Share of female employees

47 %

Share of male employees

781 / 136

Female employees  
Permanent / Temporary

701 / 106

Male employees  
Permanent / Temporary

# Casual Dining in numbers 2022

159 / 758

Female employees  
Full time / Part time

160 / 647

Male employees  
Full time / Part time

2,7 %

Sick leave long term

2,5 %

Sick leave short term

5,2 %

Sick leave total

15-20 hours

Average hours yearly training per  
employee

# Governance

## **Codes of conduct**

Our business segment's employee code of conduct is intended to guide our employees to make the right decisions. The employee code of conduct not only outlines our company's values, but also relevant regulations, responsibilities, policies, rules, and guidelines that guide our employees' behavior and decision-making. We expect our employees to follow the code of conduct as stated in the hiring terms at Casual Dining.

## **Casual Dining's supplier code of conduct**

The Casual Dining business segment is aware that our operations have an impact on our entire supply chain, particularly on workers, local communities, and the environment.

We believe that long-term partnerships and continuous improvement initiatives will result in a more sustainable supply chain and provide business advantages for us and our suppliers.

Our supplier code of conduct requires that our suppliers comply with the guidelines based on conventions adopted by the UN and the International Labor Organization (ILO). The guidelines cover fundamental requirements for human rights, labor rights, environment, sustainable development, sound environmental management, and anti-corruption in the supply chain.

## **Anti-Bribery and Corruption:**

The Casual Dining business segment is committed to conducting its business in an ethical and responsible manner. We have zero tolerance for any form of corruption or bribery. We do not accept payments of bribes, gifts, or other improper benefits. We are committed to maintaining compliance with laws and regulations legislated to prevent corruption.

## **The Norwegian Transparency Act**

Given the complexity of our value chain, which

incorporates numerous suppliers and subcontractors, it is required that our contract suppliers agree to our ethical guidelines.

These guidelines encompass a range of sustainability topics including human rights. We also expect our suppliers to communicate these guidelines to their subcontractors, or to provide equally comprehensive guidelines, and to ensure compliance.

Casual Dining conducts due diligence assessments throughout the supply chain to identify and address areas of concern. If we find any instances of non-compliance, we will work with suppliers to implement corrective action plans. Suppliers who do not implement adequate measures or fail to establish a satisfactory plan to protect human rights and uphold decent working conditions within the specified time-frame will not be considered for future business partnerships.

### **Responsible sourcing**

Our business segment believes in responsible sourcing as it promotes sustainable practices, protects the environment, ensures fair treatment of workers, encourages ethical business practices, and enhances brand reputation.

In our ingredient sourcing process, we prioritize partnerships with eco-labeled, certified, and expert suppliers. This allows us to offer high-quality products while minimizing our environmental impact. We maintain safe supply chain practices for our suppliers, products, and ingredients to ensure that we are providing our customers with responsible and sustainable products.

The Starbucks approach to ethical sourcing is centered on purchasing coffee that meets the standards set forth by the Coffee and Farmer Equity (C.A.F.E.) Practices. This program, developed in collaboration with Conservation International, is designed to promote

transparent, profitable, and sustainable coffee growing practices while also protecting the well-being of coffee farmers and workers, their families, and their communities. It was one of the coffee industry's earliest ethical sourcing standards, established in 2004. By focusing on C.A.F.E. Practices, we ensure that our coffee meets economic, social, and environmental criteria, and we are committed to continuing to prioritize these values in our sourcing practices.

**Meat:** To ensure responsible and sustainable sourcing of soy for our food production, we have established a policy to limit soy in animal feed to a maximum of 10%, or alternatively require certification that the soy meets our sustainability criteria.

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**Responsible Use of Antibiotics:** We prohibit the use of antibiotics for preventive or growth-promoting purposes in animal farming. Antibiotics are strictly reserved for preventing diseases that are diagnosed by a veterinarian and for maintaining the health of the animals.

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**Eggs:** We are collaborating with our poultry and egg suppliers to prioritize the welfare of chickens. We require our suppliers to adhere to The Quality System in Agriculture (KSL) or provide evidence of equivalent measures that align with Norwegian regulations.

We prioritize sourcing organic or free-range eggs for our operations. We exclusively utilize free-range hen eggs at all Starbucks restaurants.

**Animal welfare:** Animal welfare is a top priority when sourcing meat, dairy and eggs. Our food products shall not consist of endangered products/species, to ensure this we follow the seafood guide from WWF and the Norwegian Biodiversity Information Center Red List.

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**Fish:** We work to ensure that all seafood must be sustainably produced. All scampi and prawns must be MSC or ASC certified. All farmed salmon must be ASC certified. Our fish products shall not have been exposed to more than 25% soy feed.

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**Coffee, Tea, and Cocoa:** We buy only certified coffee, tea, and cocoa for all our brands.

**Soy:** We require our soy and soy-based product suppliers to take responsibility in maintaining traceability in their supply chains and avoid any involvement in activities that lead to deforestation or other negative environmental and social impacts. It is our expectation that our suppliers have action plans in place, focused on reducing or eliminating soy content in animal feed.

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**Palm oil:** The use of palm oil should be avoided when possible. If palm oil is absolutely necessary, it must be sustainably produced and certified in accordance with the requirements of the Roundtable on Sustainable Palm Oil (RSPO) at the level of Segregated, or Identity Preserved, or equivalent.