

# Better Future

Our Sustainability Plan 2023





# About this report

Date of publication: 11/05/23

This is our second Sustainability Report which describes our approach and progress to date on our Better Future plan, and the direction of travel the business is going to take over the coming years.

Our vision is to create a Better Future for our customers, colleagues and the planet and this is underpinned by the 3 core pillars of our plan; Inclusive, Caring and Conscious, which also fulfil our Environmental, Social and Governance ("ESG") responsibilities.

Throughout this report we cover key information and progress on our Better Future plan, the report includes the sustainability focus areas we believe are material based on comprehensive internal and external stakeholder engagement and in-depth strategic analysis of Travelodge, its wider industry and external factors.\*

\*The report covers the period from 1 January 2022 to 31 December 2022 unless otherwise stated.



Environment



Social



Governance

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# About our company

Travelodge is the UK's largest independent hotel brand.

Our purpose is to provide affordable travel for everyone and we are positioned as the low-cost choice, offering our customers the best balance of location, price and quality to suit their travel needs.

Established in 1985, we have nearly 600 hotels and 46,000 customer bedrooms, across the UK, Ireland and Spain. Over 80% of our hotels are in major city centres, towns and popular holiday destinations, serving business and leisure travellers alike.

We are a team of over 12,000 Travelodge colleagues who work together to look after our customers each day. For over thirty five years, we have helped and supported thousands of people to progress their careers with Travelodge.



# Foreward from our CEO

**I'm delighted to present our second sustainability report and share the progress we have made against the targets that we set out in our sustainability plan, Better Future, for the first time last year.**

Our Better Future plan is the way our teams and business choose to operate and the plan underpins everything we do, enabling us to be Better for our Customers, Colleagues and the planet. The plan continues to focus on the three core pillars of; Inclusive, Caring and Conscious, and we remain committed to the medium-term targets we set out last year, in an honest and transparent manner.

Despite the challenges we and the broader hospitality industry have faced over the last twelve months, we have seen strong financial performance and also tangible, compelling progress and momentum against our Better Future plan, with further stretch targets defined for the road ahead.

I have seen first hand the commitment and dedication of our teams in delivering our key achievements and setting detailed plans for the coming year.

I'm particularly pleased that we have completed our review and plans to become a net-zero business by 2050 (for scope 1 and 2 emissions), including the programme of works at our hotels to further reduce energy consumption. Equally, I am very pleased with the tremendous work we do, supported by the Purpose Coalition, to contribute to improving social mobility within the communities in which we operate by enabling our colleagues, who are at the very heart of our business, to learn more, earn more and belong.

I am so proud of all we have achieved this year, and yet I am conscious there is always more to be done and we remain committed to delivering our vision of a Better Future. I hope you will enjoy reading this report and I look forward to a positive and productive year ahead.



**Jo Boydell** CEO



# Our Better Future Plan

Vision	To create a Better Future for our Customers, Colleagues and the planet		
Strategic objectives	 Inclusive	 Caring	 Conscious
	Ensuring we are accessible, inclusive and affordable to our colleagues and customers.	Creating a caring and healthy environment for our colleagues and customers and ensuring their wellbeing.	Being actively conscious of the waste we produce, the energy and resources we consume and our carbon emissions.
Material Sustainability topics covered	<ul style="list-style-type: none"> <li>• Training &amp; development opportunities</li> <li>• Customer accessibility</li> <li>• Fair labour practices and decent work</li> <li>• Diversity &amp; inclusion</li> <li>• Social mobility</li> </ul>	<ul style="list-style-type: none"> <li>• Data security &amp; customer privacy</li> <li>• Human trafficking &amp; child abuse prevention</li> <li>• Health, Safety &amp; Security</li> <li>• Charity partnerships</li> <li>• Wellbeing</li> </ul>	<ul style="list-style-type: none"> <li>• Responsible sourcing &amp; supply chain management</li> <li>• Carbon emissions and energy management</li> <li>• Waste management &amp; recycling</li> <li>• Adapting to climate change</li> <li>• Water consumption</li> <li>• Business ethics</li> </ul>

# Our progress against our sustainability targets

## Inclusive

**Aim:** To have 50/50 shortlists of men and women for senior level roles with the aim of having 50/50 in role by the end of 2025.

**Progress:** In 2022, 25% of our shortlisted candidates were women and 67% of roles were secured by women. At the end of 2022, 48% of colleagues in our senior roles were women.

**Aim:** To have 20% shortlists of candidates from minority ethnic backgrounds for senior level roles with the aim of having 10% in role by the end of 2025.

**Progress:** In 2022, 3% of our shortlisted candidates were from minority ethnic groups. 63% of candidates did not disclose their backgrounds. 5% of senior level roles identify from ethnic minority backgrounds at the end of 2022.

**Aim:** To achieve 90% compliance to our Blueprint target for 24+ hours contracts by 2025.

**Progress:** In 2022 we overachieved our target and so have increased our target to 100% for 2023 and beyond.

**Aim:** To increase the number of head office internal promotions (excluding maintenance, District Manager and entry level roles) to 40% by 2025.

**Progress:** In 2022, 24% of our head office roles were secured by internal candidates

## Caring

**Aim:** To increase the "Your Voice" score for the question "There are resources available to me at Travelodge to support my wellbeing" to 8.5 out of 10 by 2025.

**Progress:** For our 2022 survey results, we scored 7.7, 0.3 percentage point improvement from 2021.

**Aim:** To encourage a further 1,000 people to train in Cardiopulmonary Resuscitation ("CPR") during 2022.

**Progress:** Over 1,000 people have completed CPR training, by using the RevivR online training tool, accessible via a QR code promoted in all our hotel rooms.

**Aim:** To maintain 100% of hotel colleagues trained in human trafficking and child abuse.\*

**Progress:** We continued our training programme throughout 2022, and 100% of hotel staff completed their safeguarding refresher training during 2022.

**Aim:** To maintain a phishing susceptibility rate of less than 10%.

**Progress:** We operate a continuous colleague testing and awareness programme. We consistently maintain a phishing susceptibility rate under 10% throughout the year whilst also increasing the complexity of the testing our colleagues are required to pass.

\* Excluding long term sickness and maternity leave

## Conscious

**Aim:** To understand our climate-related risks and opportunities the business faces and start preparation for our Task Force for Climate Related Disclosure requirements for 2023.

**Progress:** We started our project with a third party expert to identify, assess and manage our climate-related risks and opportunities and prepare our TCFD disclosures.

**Aim:** To conclude the route to operating our existing hotels in a net zero manner (covering scope 1 and 2 emissions), aligned to SBTi and set KPIs and targets, during 2022.

**Progress:** We completed our scope 1 and 2 planning, including a technology review and carbon footprint calculation and forecasting, and approved our plan to reduce energy consumption and become net zero by 2050, alongside setting up our work to measure our scope 3 footprint in 2023. We also developed our plan to align our net zero trajectory to SBTi during 2023.

**Aim:** To conclude reviewing our new hotel build specification, aligned to delivering net zero, during 2022.

**Progress:** We completed our review of our new build specification. We have agreed the plan, for all new hotel developments entered into from early 2023, to build these future hotels to an A rated Energy Performance Certificate ("EPC") and also to at least a very good Building Research Establishment Environmental Assessment Method ("BREEAM") standard, and to an excellent standard where possible. We expect to reduce our energy consumption by 35% by 2030. We've generated an 11% reduction to date from our 2017 base and our heating and cooling project reduces electricity requirements by c.45% at our hotels.

**Aim:** To reduce water consumption to an average 100 litres per guest by 2025 from c.120 litres in 2022.

**Progress:** In our hotels where work has completed we have reduced water consumption to 104 litres per guest. We completed 17 hotels in 2022 and 70 in total to date. We've reduced total water usage by 1 litre per guest during 2022.

**Aim:** To implement sustainable processes aligned to this plan into our procurement processes during 2022.

**Progress:** We started work with our top 20 critical suppliers aligned to understand how their sustainability progress aligns with the topics included in our Better Future plan and also their carbon footprint and their plans to reduce this.

**Aim:** To conclude review of waste production and prepare a detailed action plan with KPIs and targets.

**Progress:** We didn't conclude our review during 2022 and haven't yet set any targets. We did complete a series of waste trials during 2022 and plan to trial further initiatives to improve recycling and reduce our waste during 2023 before completing a detailed action plan.



# Understanding our priorities

During 2022, we reviewed the prioritisation of our sustainability topics, ensuring continuous focus on areas which have the greatest impact on our business and are of highest importance to our stakeholders.

We have not identified any new material issues or changes and our original priorities remain relevant for 2023. We will continue to focus on the most material topics and consider all of the areas identified to be important, and actively monitor and report on each.

We will review annually, and expect to formally refresh our assessment every three years.

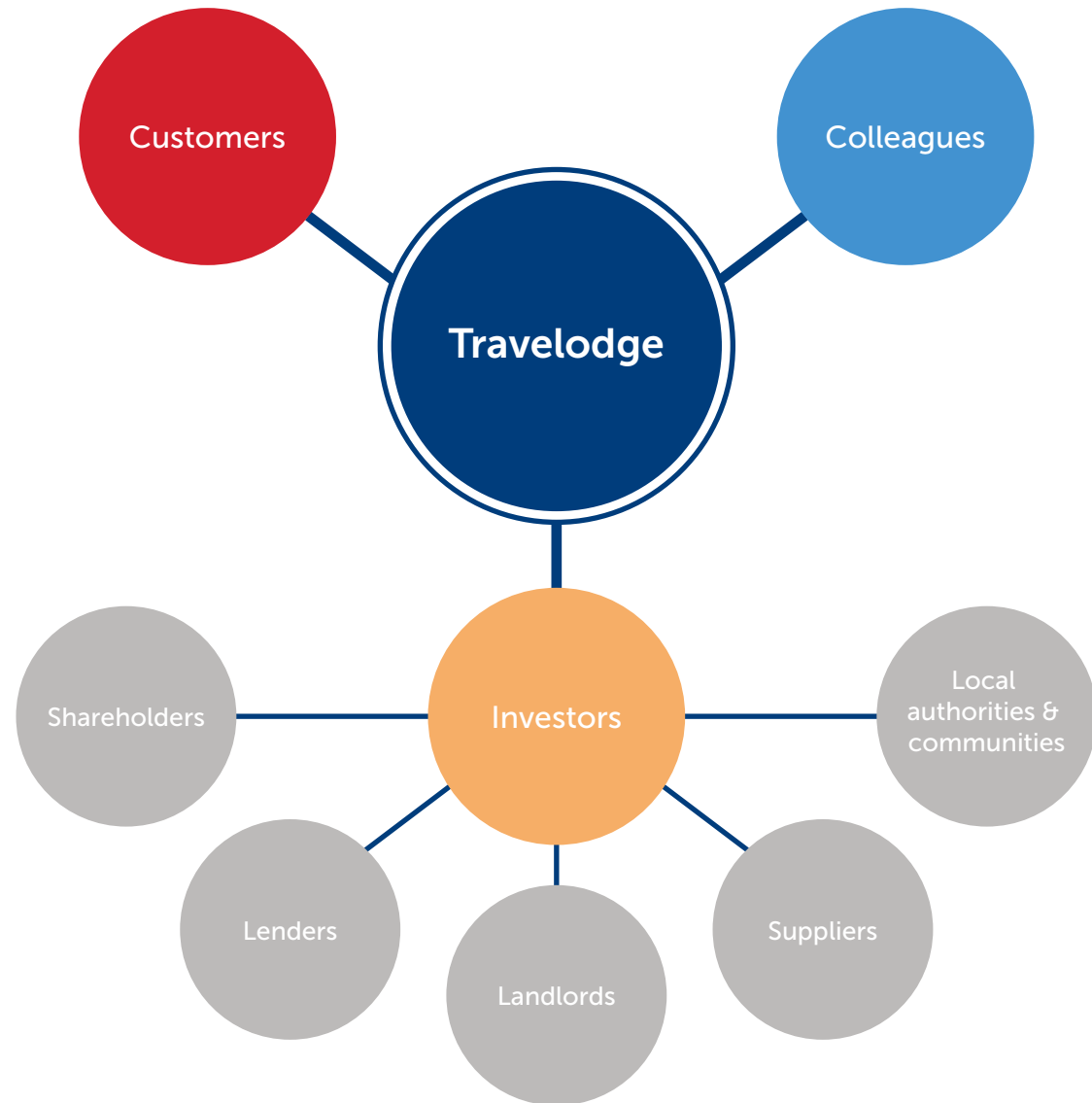
In creating our initial plan, we commissioned an independent sustainability specialist to conduct our materiality assessment identifying 18 material issues for the business.



# Listening to our stakeholders

Accountability and transparency with stakeholders is key to the long term success of the Group.

We consider our key stakeholders to be: Customers, Colleagues, Shareholders and Investors, including lenders, landlords, key operational suppliers, local authorities and communities.





## Listening to our Customers

In 2022 we served around 21 million customers listening to their feedback is pivotal to our ongoing success in delivering our plan.

To understand customer response to our service delivery, we review post stay feedback and satisfaction scores. In addition, engagement with partners, such as Tripadvisor, helps us to identify areas of continuous improvement. One example of feedback we received and acted on is in relation to accessibility, which led to several improvements, which are covered later in this report.

We also frequently conduct research groups on topics, including new propositions and ideas to strengthen and iterate our development. This is either done internally analysing data and bespoke customer surveys or via external agencies who gather both qualitative and quantitative insight. This analysis guides us in informing our product and proposition development.

During 2022 some examples of this were:

- A customer study conducted to understand our customer needs and expectations of a budget hotel stay as the risk of COVID-19 rescinded, with qualitative consumer research undertaken to understand the key drivers of cleaning and maintenance customer scores
- A study undertaken in 2021 leading to the revision of our refurbishment strategy in 2022
- A study undertaken to understand our customers' needs for food and beverage during their stay, which led to a new mystery customer programme starting in early 2023, a new menu refresh and concept changes to be trialled in our existing Bar Cafés



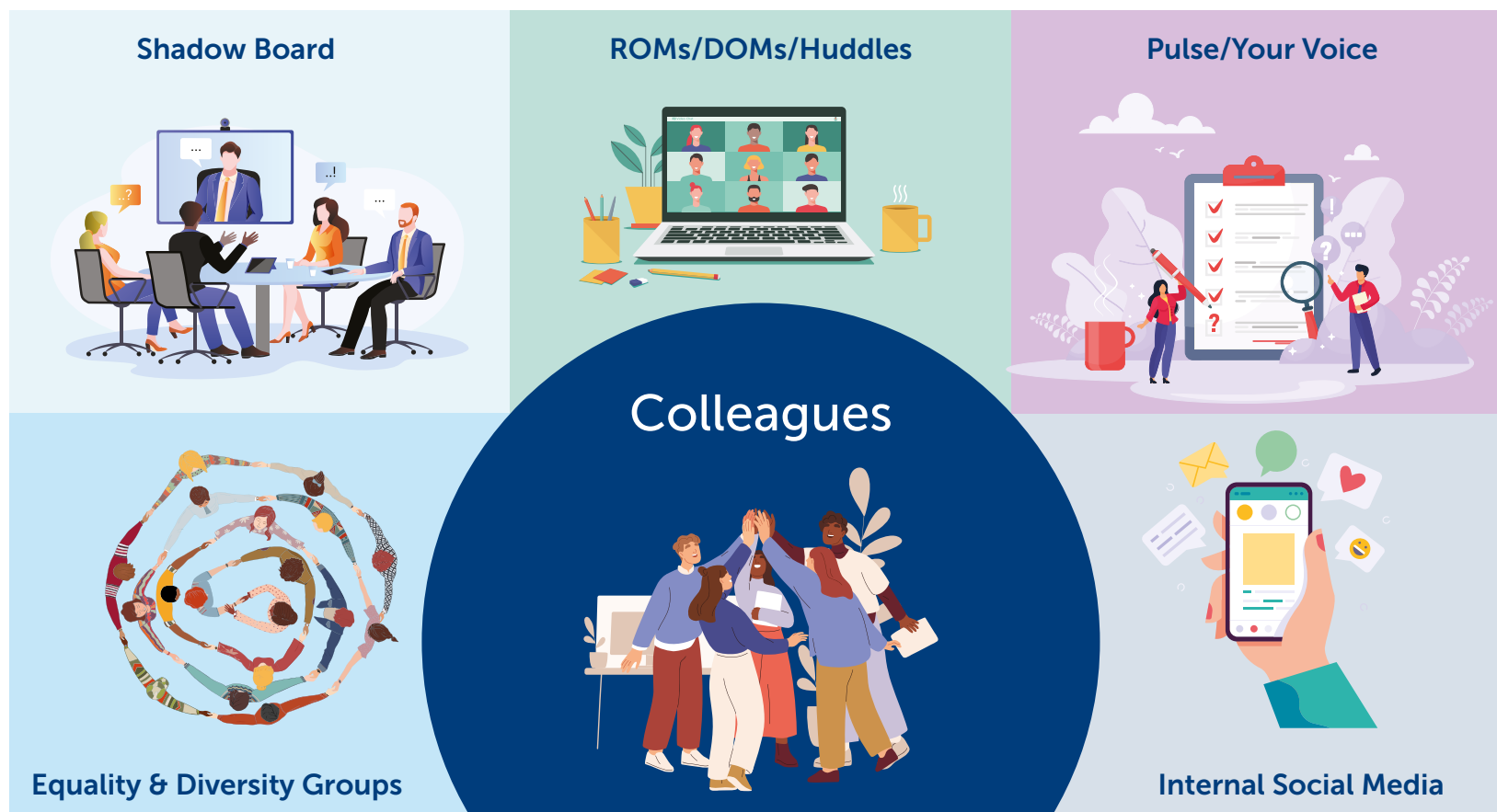
## Listening to our Colleagues

Our Shadow Board meets every six months, bringing together 12 colleagues from different roles and locations, along with our CEO and CPO (Chief People Officer), to discuss ideas and strategy plans.

We engage regularly with our teams through head office 'Huddles' and regional and district operational meetings. These include updates on business performance, celebration of colleague success, length of service milestones and highlights of key events.

Our Operations Director leads sessions with his District Manager Team to ensure any change initiative feedback is understood and changes are implemented if required. A key example was the roll out of new personal safety devices to our colleagues during the year.

We operate Equality, Diversity and Inclusion (ED&I) groups covering topics such as gender, ethnicity, LGBTQ+ and disability. Each group has an Operating Board sponsor as well as representation from the Senior Leadership Team.



Our annual engagement survey "Your Voice" asks colleagues a set of questions that we measure and "pulse" surveys are used to understand specific topics when needed. Participation levels and scores in key areas are KPIs within our Better Future plan, measuring success of our team engagement. They are covered later in this report, we are pleased with the positive change in these.

Our internal social platform is a vibrant representation of our teams who create content and share messages across the business. The app provides a forum to celebrate our diversity and encourage conversations on topics, including race and gender equality, LGBTQ+ history, mental health, menopause awareness, as well as supporting our colleagues with disabilities such as deafness and neurodiversity.

An independent whistleblowing service is also available for any colleague who wishes to raise a concern around malpractice, unlawful or unethical behaviour.

## Listening to our Investors

Our investors include our shareholders, lenders, landlords, other creditors including suppliers, local authorities and communities.

### Shareholders

Our Chairman and Chief Executive Officer meet at least 6 times a year with our owners to update on our progress, seek approvals where required and to listen to their viewpoints and raise any issues that they may have.

### Lenders

We hold quarterly calls with our bondholders and lenders where we present our performance and financial results and provide a forum for questions to be raised.

We also make ourselves available at least annually for a group presentation and question and answer session and smaller meetings as requested.

### Landlords

As well as our regular contact, approximately every 6 months we host a call for our landlords, developers, and key contacts from the property industry.

This provides an update on the business as a whole and our progress on key property and development initiatives.

### Lenders

Cost and quality continue to compete as priorities within our procurement strategic agenda and integrating sustainability and responsible sourcing throughout our value chain, remains a key objective for 2023. Our suppliers are integral to how we fulfil our customers' needs and we therefore work closely with our strategic suppliers to manage risk whilst driving continuous improvement initiatives throughout our supply chain.

During 2022, a priority focus has been working collaboratively with our suppliers to manage inflation and supply continuity risks, in what was a very challenging environment.

Looking ahead, in addition to building on the work from 2022, we have also begun formally engaging with our suppliers as part of our sustainability agenda, which is covered further in this report under the Conscious pillar.

### Local authorities and communities

As part of operating our estate and in the process of developing new hotels, we seek to engage with local councils, police forces and fire services to ensure our policies and procedures in relation to health, safety and security are appropriate, agreed and fit for the current social landscape.

We also have Primary Authority partnerships with a fire service and a local authority to provide guidance and support on matters of fire and general health and safety respectively.

We also proactively work with these stakeholders where we expect changes in our operating model or strategic developments, such as the introduction of robotic hoovers during the year, to change the risk profile of our business, so any concerns are considered and agreed in advance by all parties.

We work with local communities and real estate partners to explore opportunities to help in regeneration and job creation through our new hotel development programme. Joint initiatives with local authorities in particular can bring benefits to the community, and we are in contact with over 200 authorities where we have target location requirements.

Our charity group organises and promotes fundraising on behalf of a nominated charity, which for the reporting period was the British Heart Foundation (BHF). In November 2022, at the BHF Heart Heroes Awards, Travelodge was recognised, as one of three companies, for their extraordinary work in the development and promotion of the BHF's new CPR training tool, RevivR. RevivR is accessible on your smartphone and teaches you how to administer CPR using only your phone and a pillow, removing the need for a traditional CPR dummy. We also have continued our relationship with Pennies, the pioneering digital charity donation box which allows customers to choose to make a small donation to the British Heart Foundation as part of the online booking process.



# How we deliver our Better Future plan

## Governance

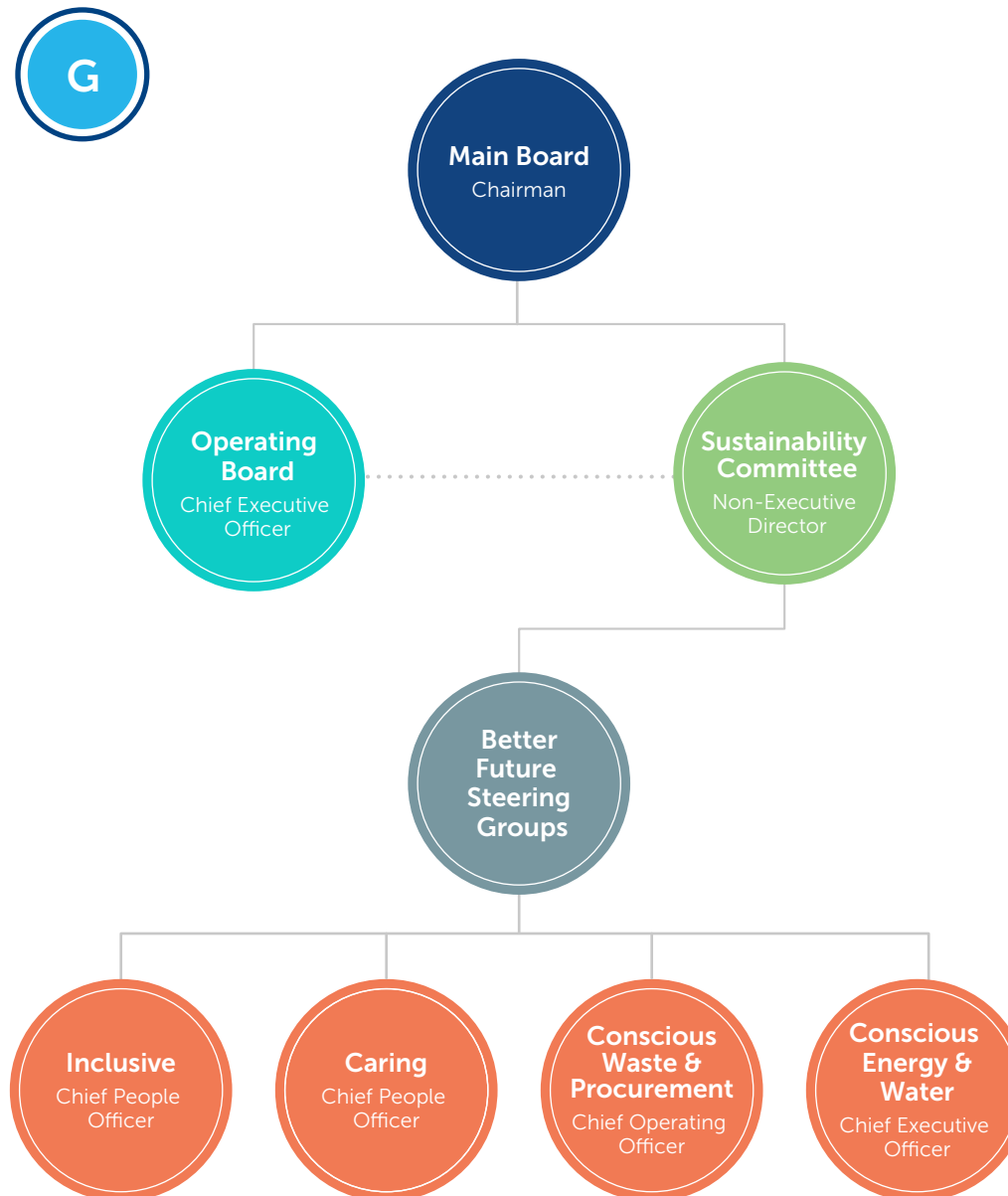
In our first report we laid out the governance model we have put in place to effectively monitor the implementation and results from our sustainability initiatives.

Our Main Board has overall responsibility for the delivery of our Better Future plan. During 2022 we held quarterly steering groups on each of the three sustainability pillars. Each of these groups were chaired by a member of the Operating Board.

Given the importance of our Better Future plan, during 2022 we also created a formal Sustainability Committee which is now chaired by one of our group non-executive directors.

Our Chief Executive Officer and the CEO of Simply Sustainable, are also in attendance.

The Committee met for the first time in November 2022, and is expected to meet twice a year from 2023.



## Glossary of terms

### Operating Board

The Operating Board is the senior leadership group of the Company, comprising senior directors and chaired by our Chief Executive Officer.

The following members chair the various sustainability steering groups:

- **Inclusive and Caring**  
Chief People Officer
- **Conscious (energy and water)**  
Chief Executive Officer
- **Conscious (waste and procurement)**  
Chief Operating Officer

### Travelodge Main Board:

The Main Board comprises representatives of our owners, non-executive directors, our Chairman, Chief Executive Officer and Chief Financial Officer.

### Non-Executive Director:

A non-executive director is a member of our Main Board who isn't a company employee, which means they don't engage in day-to-day management and instead act as an independent advisor.

## Measuring our progress

In order to stretch and challenge ourselves, the Plan includes KPIs (Key Performance Indicators) and short and medium-term targets.

Setting KPIs and targets allows us to measure our performance against our sustainability commitments. We report our performance internally on a quarterly basis and externally, via both our Annual Report & Financial Statements and this annual and stand alone Sustainability Report.

## Communicating our Better Future Plan

We appreciate that the language of sustainability can be complex, and therefore not always an easy subject.

It also doesn't help that there are many terms covering sustainability. Sustainability, ESG, CSR and sometimes, CR, are all used interchangeably by companies.

In essence, they all refer to doing business in an ethical and responsible way that takes into account the needs of a wide range of stakeholders, including society and the environment.

This all comes together under our definition of our Better Future plan.



## Glossary of terms

### Sustainability:

In a corporate context, sustainability refers to the effect a business has on the environment, and on society, with the goal of having a positive impact in at least one of those areas.<sup>1</sup>

### ESG:

Environment, Social & Governance

### CSR:

Corporate Social Responsibility

### CR:

Corporate Responsibility

### Governance:

The system by which a company is directed or controlled.<sup>2</sup>

### KPI:

Key Performance Indicators (KPIs) refer to a set of quantifiable measurements used to gauge a company's overall long-term performance.<sup>3</sup>

[1] <https://www.investopedia.com/terms/s/sustainability.asp>

[2] <https://www.icaew.com/technical/corporate-governance/principles/principles-articles/does-corporate-governance-matter>

[3] <https://www.investopedia.com/terms/k/kpi.asp>

# Our Performance: Inclusive

During 2022 we made good progress in improving our gender balance in senior roles and developing our colleagues across the business. We are also proud of the work we have done with support from Disability Positive, a charity specialising in the support of people living with long term disabilities, in relation to improving accessibility for our customers. Ethnic diversity has been more difficult to gain traction on than we expected, and we have a clear plan to address this during 2023 and 2024.

In 2023, we will continue to improve our gender and ethnic diversity at senior leadership level to ensure it is representative of our workforce and the wider society.

We will also continue our work to support the UK Levelling Up agenda, which is about ensuring equal opportunities regardless of protected characteristics, specifically for social mobility and providing opportunities for our colleagues across the UK to learn more and earn more, and progress their careers if they want to.

We also plan to further develop our customer accessibility procedures together with Disability Positive after a successful programme of change during 2022.

All of this will make Travelodge a more inclusive place for our colleagues and customers.





## Our Colleagues

### Gender diversity

We are committed to creating an inclusive workplace, with opportunities to learn more and earn more, and where everyone can be their true self and belong. Being inclusive with a diverse range of people throughout all areas of our business is important to us.

We monitor the diversity of our existing workforce in order to support a culture of equality, diversity and inclusion. We have both an Equality and Diversity Policy and a Trans Inclusion Policy in place.

We use our diversity data to understand the makeup of our workforce and whether it is representative of both the wider UK society and geographical areas. This helps us to focus our attention on the areas where improvement is needed and create action plans to address these.

Our focus on equality and diversity has helped us to a position where around 63% of our Hotel Managers are women. We made good progress throughout 2022 with gender balance at senior level.



We have action plans in place to review the way we advertise our roles and remove any perceived barriers to women's progression, which is also partly informed by the results and analysis of our Gender Pay Gap reporting, a copy of which can be found on the [Travelodge website here](#).

We are ahead of the new target of 40% female representation for diversity in senior leadership roles, as set out by the Hampton-Alexander review for FTSE 350 companies.

48% of our Senior Leadership Team are women, and 57% of our Operating Board are women, however, we continue to have targets in place to remain focused on gender balance and we have more work to do to have 10% ethnic diversity in Senior Leadership roles by 2025.

Throughout 2022, our focus has been to improve the balance in gender diversity of shortlisted candidates for senior level and roles. 18 District Manager roles were filled in 2022. 29% of candidates were women and 53% of roles were secured by women.

Our position at the end of 2022 was 32% of colleagues in these roles are women, an improvement of 10 percentage points since our last report. There were 5 senior level head office roles filled in 2022. At the interview stage, 25% of candidates were women and 67% of roles were secured by women.

Our position at the end of 2022 is 48% of colleagues in Senior Leadership roles being women, which has improved by 7 percentage points since our last report. While we did not achieve our target for shortlisting, a higher percentage of roles were filled by women, and we have action plans in place to review the way we advertise our roles and remove perceived barriers to women's progression.

Our mean hourly gender pay gap for our 2022 results was 10.7% in favour of male colleagues. Our results are typically driven by large volumes of hourly paid colleagues earning a similar hourly rate.

The calculation as set by the government for variable pay employees (Travelodge hourly paid colleagues), is to use the actual pay in the reference pay period divided by the average hours worked over the 12 weeks prior to the reference pay period. This means although our hourly paid colleagues are paid the same hourly rate for doing the same role, their hourly pay for the purpose of gender pay gap reporting can be inflated or deflated solely on their average hours for the previous 12 weeks.



### Glossary of terms

**Senior Leadership/Senior Level:**  
Operating Board, Director and Head of Department

Our workforce is:

**71%** women (-2%)

**29%** men (+2%)



We typically see a higher percentage of women in hourly paid roles and up to Hotel Manager level.

Hourly paid colleagues account for:

**87%** of our workforce (static)

**76%** of these colleagues are women (static)

At Hotel Manager level, who are salaried:

**63%** of colleagues are women (static)

**37%** are men (static)



In comparison, at District Manager level:

**32%** of colleagues are women (+2%)

At senior levels,

**48%** of colleagues are women (+7%)

**52%** are men (-7%)



## Ethnic diversity

In the UK, around 18% of the population identify as being from a minority ethnic background.

- 67% of our workforce identify as white
- 23% from ethnic minority backgrounds
- 10% prefer not to say

At Senior Levels there is limited representation from minority ethnic groups:

- 83% identify as white
- 5% identify from ethnic minority backgrounds
- 12% prefer not to say

We have more work to do to champion ethnic diversity, especially within Senior Level roles, and we have action plans in place to address this throughout 2023 and 2024.

Details of our Ethnicity Pay Gap can also be found on our Travelodge website.

\*Our definition for minority ethnic groups is anyone who identifies as non-white. We calculate ethnic minority in line with the Ethnicity Pay Gap. Our ability to accurately measure this statistic is difficult because people can choose not to say.



### KPI

For 2023, we will continue to focus on balanced shortlists for gender and follow the same approach for ethnicity, with a target of 20% of shortlisted candidates to be from minority ethnic groups.

As part of our Better Future plan, our aspiration is that, by the end of 2025, 10% of our senior level colleagues (Operating Board, Level 1 & 2) will come from a minority ethnic background.

At the end of 2022, 5% of our Senior Leadership colleagues identified from a minority ethnic background which was a 2 percentage point improvement from 2021.

## Inclusion

In previous years we have held discussions on this topic by way of an equality & diversity governance group which met quarterly.

As part of developing our Better Future plan, we recruited a Wellbeing and Inclusion Manager at the beginning of 2022 to focus specifically on delivering our inclusion calendar of events. Listening groups were held with colleagues such as our LGBTQ+ community to understand what else we could do in order for them to feel they belong. Suggestions from the group helped to inform activities throughout the year such as the creation of pride packs.

Towards the end of 2022 we created seven senior leadership groups who will work together to sponsor and champion our inclusion agenda in the coming years for categories such as gender and ethnic diversity, emotional and physical health and disability.

In our 2022 annual colleague satisfaction survey, Your Voice, for the first time we included a question asking whether our colleagues feel Travelodge is a place where everyone can belong. For our 2022 survey results, the company score was 8.0 out of 10, which we believe is a positive reflection of the work we are doing to educate and celebrate the diversity and inclusion of colleagues in our business. We aim to maintain this score whilst increasing participation in our survey.





## Labour practices and decent work

Travelodge pays the national living wage to all hourly paid team members as a minimum, irrespective of age.

All hotels are provided with a workforce plan (internally known as a Blueprint) which is designed for Hotel Managers to enable them to recruit the optimum number of colleagues on greater contractual hours, with the aim of reducing labour turnover, improving the stability of our hotel teams and giving colleagues certainty of hours and take home pay.

Our data analysis, initially conducted in 2019, shows that colleagues recruited on an 8 hour contract are three times more likely to leave within 12 months compared to colleagues recruited on a 24 hour+ contract.

In January 2022 compliance to our 24+ hour contract target was 68% and therefore our focus for the year was to optimise the number of contractual hours for our colleagues, with a specific focus on 24 hour+ contracts.

The success of this work is reflected in our achievement of 115% compliance.

During 2022, we issued up to £275 worth of vouchers per hourly paid colleague that could be redeemed at a selection of supermarkets

Following trials of pay for productivity schemes (variable pay) during 2021, we launched one scheme in 2022 which rewarded our hourly paid hotel colleagues, enabling them to earn more for additional sales of breakfast at reception.

We continue to trial schemes which enable colleagues to increase their overall earnings potential. We track the impact these trials have on colleague stability and to date are seeing improvement in earnings and retention versus our control groups.

As a result we have since (February 2023) launched a second scheme which rewards colleagues working in our Bar Café for selling Meal Deals. To date more than 2,000 team members are benefiting from the schemes.



### Case Study

In 2022, a Bar Café team member at one of our London hotels earned the equivalent of around 50p per hour more than their normal average earnings from a combination of the breakfast scheme and other variable pay schemes being trialled.



### KPI

Hotels to achieve 100% compliance for 24 hour+ contracts according to Blueprint requirements by the end of 2025. Following our success in 2022, we have increased our target to 100% from 90% for 2023 and beyond.





## Training and development

Our People Pledge is “We are committed to creating an inclusive workplace, providing decent work with opportunities to learn more and earn more, where everyone can be their true self and belong”.

It is therefore essential our colleagues know what opportunities are available to them if they want to develop and progress, with the most beneficial way of doing this being through career conversations with their line manager.

During 2022 we launched 2 new levels of our management development programme Aspire. With 4 levels in place, and levels 3 and 4 being part of an apprenticeship, not only can our hotel colleagues progress their careers from team member to Hotel Manager, they will also achieve a recognised qualification as part of their journey.

Ensuring our colleagues can achieve qualifications also underpins our work to support the government’s Levelling Up agenda on social mobility. Our training not only looks at developing skills inside work, but also building skills that can be used outside work, such as confidence, resilience and empathy.

In our hotels, a larger percentage of women work in the lower-paid roles compared to senior roles, however between 70% and 80% of hotel management role vacancies are filled internally each year. Developing colleagues to enable them to progress into more senior roles will in turn support our gender diversity targets.

The importance of housekeeping remains paramount, combined with the capability to assist customers when needed. Therefore we encourage colleagues to complete training to upskill them in other roles and become multi-skilled. Being multiskilled may also mean colleagues have higher earning opportunities as they can work in more than one department meaning more shifts may be available to them.

Our head office colleagues wanting to develop their careers can take advantage of an in-house People Management Programme, and in 2022 we launched Limitless, aimed at middle management colleagues with a focus on health, motivation and performance.

We also support a number of head office colleagues to complete apprenticeships where there is a recognised standard in place.



### Case Study

Throughout the last 12 months we have become the first hotel group to become a member of the Purpose Coalition in order to support the government’s levelling up agenda. We have worked closely with This is Purpose to produce our levelling up impact report, focusing on three of the social mobility goals. Our report was launched externally in May 2023.



### Glossary of terms

#### Aspire Levels:

**Aspire level 1** - designed for team members who wish to progress to Supervisor.

**Aspire level 2** - designed for Supervisors wishing to progress to Assistant Hotel Manager.

**Aspire Level 3** - designed for Assistant Hotel Managers wishing to progress to Hotel Manager.

**Aspire Level 4** - designed for Hotel Managers wishing to progress to District Manager.

#### Your Voice:

Our annual engagement survey, used to understand levels of satisfaction from all of our colleagues throughout our business, with the aim of informing future initiatives for improvement.

## Training and development *(continued)*

In 2022, 24% of our head office roles were filled by internal candidates. Throughout 2023 our focus will be to identify by role level where we could do better.

Our 2022 Your Voice survey results for the question “If I want to, I know how to develop my career at Travelodge” scored 7.6, the same as our 2021 result and we therefore have more work to do to achieve our target. Throughout 2023 we will work to identify the business areas that require the most improvement and create action plans to address these.



### KPI

In our head office roles we have set a target to increase the number of internal promotions from 40% by the end of 2025.

In hotel operations we aspire to maintain the current high levels of internal promotions at around 70%.

As a company, increase the Your Voice score for the question “If I want to, I know how to develop my career at Travelodge” from 7.6 to 8.5 by 2025.





## Our Customers

At Travelodge, our purpose is to provide affordable travel for everyone. We offer our customers the best balance of location, price, and quality to suit their travel needs.

We use many tools to collate customer feedback on their experience with us and we plan to continue to engage with them to understand how we are responding to the sustainability issues that are important to them as described in the Listening to our Stakeholders section earlier in this report.





## Customer accessibility

At Travelodge, we believe everyone should be treated fairly. In the UK, there are around 14.6 million people living with a disability<sup>1</sup>.

We recognise the wide range of customers that use our premises and aim to make our hotels accessible and welcoming to everyone. There are currently 2,375 accessible rooms (5% of all rooms) within our portfolio, and we plan to continue this ratio in our new hotels.

In 2022 we partnered with Disability Positive, who have helped us review policies and procedures, the equipment used at our hotels and the way we train our colleagues.

In consultation with Disability Positive we revised our Disability Awareness training which was rolled out to all colleagues during 2022, we updated our online booking process to allow guests booking accessible rooms to state whether they wanted the room set up as a twin or double room, guests booking accessible rooms can now also provide details of any assistance they might require, search on the Travelodge website for hotels with accessible wetrooms, revised the internal signage to be more pictorial

and user friendly and developed a new headboard design for accessible rooms the accommodates both the twin room and double room setup without compromising the customer experience.

We hold research groups as required to hear first-hand from our customers what their needs are, so these can be incorporated into both our service offering and our policies.

Travelodge is committed to making our website accessible to all users, including people with disabilities. To achieve this, the UK website has been developed in accordance with the Web Content Accessibility Guidelines 1.0 where possible.

These guidelines have been published by the World Wide Web Consortium to promote accessibility.



### KPI

We want to do more to make our hotels accessible for everyone. We will continue to work with Disability Positive through 2023 to identify further improvements we can make to make our hotels more accessible for everyone, including the provision of an accessibility statement on our website, redesigning the headboards within our accessible rooms for new and refitted hotels to provide a more convenient set up, reviewing the content of information about our rooms provided on our website to ensure that provides additional relevant information for guests with accessible needs, a new accessible room bathroom pod design and a review of our menu communication to include a more pictorial menu version.



### Glossary of terms

#### Disability Positive:

A charity based in Cheshire and providing services, opportunities and a voice to people living with disability and long-term health conditions, and their families.



“

We are delighted that through our partnership working with Travelodge, we have supported positive change to enhance the customer experience. During the year (2022/23), we have advised on policy affecting disabled customers; carried out customer experience audits; supported implementation and roll out of recommendations from the audits; and implemented interactive virtual disability equality training. We are proud that through this work, we have reinforced Travelodge's commitment to be more welcoming, inclusive and accessible to its disabled customers and colleagues, which ultimately helps them on their journey to create a 'Better Future' for Travelodge Customers, Colleagues and the planet.

”

**Lynne Turnbull, Chief Executive Officer, Disability Positive**

# Our Performance: Caring

During 2022 we achieved strong health and safety audit results during a challenging year of trading, continued to mature our wellbeing platform “Better Me” whilst also supporting CPR training for both our customers and colleagues in conjunction with our partner, the British Heart Foundation. We also began our transition to an externally assured information security framework, the National Institute of Standards and Technology (“NIST”) Cybersecurity Framework, bringing further continuous improvement.

From 2023 we plan to improve the wellbeing of our colleagues by encouraging an inclusive culture that promotes a positive approach to health, safety, wellbeing and security. We will continue to develop our relationships with our charity partners.





## Human rights

We firmly support carrying out our business in a manner where the protection of individuals' human rights is paramount.

We do this through our compliance with relevant legislation and through a growing insistence on ethical business practices.

Where relevant, we have policies that reflect the rights granted under the Human Rights Act 1998 as well as the UK Modern Slavery Act 2015. This included areas such as treatment and non-discrimination, data protection, equality and diversity and health and safety.

Our statement is available on our website, as required by the Modern Slavery Act.





## Health & safety

Our number one priority is the health, safety and security of our customers and colleagues. We consider the safety of our customers and colleagues in all business decisions. We do this by having a comprehensive and proactive approach to risk assessment, clear policies, procedures and controls.

We regularly train our colleagues on our comprehensive range of safety and security policies and procedures. Refresher training is provided on a quarterly, six monthly or annual basis depending upon the topic.

Health and safety related training is provided through a combination of formats including e-learning, face to face workshops and one to one sessions.

Training is regularly reviewed by the Health and Safety Team, and where appropriate external advisors, to ensure it remains fresh and up to date with changes in legislation and industry best practice.

In addition we have a nominated Safety Champion in every operational district to support hotel teams.

Our Safety Champions are operational colleagues, usually a member of the management team or an experienced senior colleague from within the operational district they represent, who can provide support and coaching on health and safety matters to others within the district.

Our hotels are audited twice a year by a global independent expert public health organisation, to ensure they are following Travelodge's comprehensive safety procedures and complying with all relevant health & safety, food safety and fire safety regulations.

In 2022, the hotel health and safety audit pass rate was 98%, this was the third successive year achieving a pass rate above 97%. Our hotels are also subject to routine inspections from local authority Environmental Health Officers, Fire Safety Officers and officers from other various enforcement agencies.

Our internal team actively monitors our audit, enforcement and accident and incident data, ensuring that all information is analysed, and improvements are made where possible. This helps us to prevent recurrence and reduces risk to our customers and colleagues.

One or more Board Directors who are also Operating Board members as well as at least one additional Operating Board member attend the monthly Safety, Security & Risk committee.

The committee ensures the risks we face are understood, managed and monitored into the future and whilst this covers all risks, it will focus on those which are more likely or more severe should they happen, such as the risk of fire or a cyber-attack.

It will also review new and emerging risks, such as the potential for energy blackouts at the end of 2022.



### Case Study

#### Safety during planned Power Outages

When the UK Gov announced that they may need to introduce planned power outages for up to 3 hours a night during the winter months, we designed a programme of processes, control measures and tests to keep our customers and colleagues safe and allow our hotels to continue to be occupied during potentially prolonged periods without power.

The programme was developed by a cross functional team covering all aspects of fire safety, health & safety, food safety, building operation & maintenance, hotel activity and customer comfort & provision.

This involved mapping our hotel estate to the government's national power outage plan, conducting health and safety risk assessment across the estate and the deployment of supplementary lighting solutions in the form of industrial glow sticks to protect against the risk of emergency lighting failure.

## Wellbeing

The physical, emotional, financial and work wellbeing of our colleagues is important to us. Our specially curated platform Better Me, provides resources to all colleagues to support 4 key pillars of wellbeing.

In 2022, we launched 'Better Me Moments' - creating a moment in time where as an individual or as a team, you do something to focus on one of the 4 pillars. Examples of Better Me Moments include team step challenges and mindfulness sessions.

Our Employee Assistance Programme provides an online and 24 hour telephone helpline for any colleague and members of their family needing support. Their service covers 3 of our core areas of wellbeing - financial, emotional and physical.

Legal professionals can provide support on a range of financial issues. Colleagues and their family members can benefit from up to 6 free face to face counselling sessions to support mental health issues from depression to relationship problems, and registered nurses can assist with physical Wellbeing.

During 2022 we ran a number of internal campaigns focusing on different aspects of wellbeing including Mental Health Awareness month, Men's Health Awareness month, World Menopause Day, Travelodge Health MOT and National Pensions Awareness week.

All our campaigns involve colleagues within our business and our aim is to educate, encourage conversations about topics which have historically been taboo, and provide self-serve resources for those that need them.

We offer a defined contribution pension scheme to all of our colleagues. Eligible colleagues are auto-enrolled into one of two schemes provided by Scottish Widows and NEST.

We will continue to build and evolve Better Me during 2023 and in future years. Our annual 'Your Voice' survey monitors whether colleagues feel that there are resources available to them at Travelodge to support their wellbeing. For our 2022 survey we achieved an overall company score of 7.7, a 0.3 percentage point improvement from 2021.

Our head office colleagues scored 8.2 and so we have more work to do with our colleagues in hotel operations to improve our score. Throughout 2023 we will be creating action plans to address this.



### KPI

Increase 'Your Voice' survey score for the question "There are resources available to me at Travelodge to support my wellbeing" from 7.4 to 8.5 by 2025.

## Charity partnerships

Travelodge has partnered with the British Heart Foundation<sup>1</sup> since 2017 and plans to continue the relationship during 2023. This charity was originally chosen by our colleagues.

In November 2022, at the BHF Heart Heroes Awards, Travelodge was recognised, as one of three companies, for their extraordinary work in the development and promotion of the BHF's new CPR training tool, RevivR.

RevivR is accessible on your smartphone and teaches you how to administer CPR using only your phone and a pillow, removing the need for a traditional CPR dummy.

In 2022, through our partnership we helped train over a 1000 people, both our customers and colleagues, to complete this life-saving skill, through RevivR.

We have placed a QR code sticker in every one of our c.45,000 rooms which will link you directly to the RevivR training. This will help keep both our colleagues and customers safe.

We also continued to work with Pennies<sup>2</sup> during 2022, giving customers the opportunity to add a few pennies to their hotel room bookings, for charity. Customers have raised over £1 million pounds so far by using this digital charity box.



### KPI

In 2023 we plan to again train a further 1,000 colleagues and customers in CPR.

“

*We are so proud of what the British Heart Foundation and Travelodge partnership has achieved since 2017. Our partnership focuses on raising funds for BHF, with £800,000 being raised to date. The partnership is also committed to improving employee health through Travelodge's Better Me staff wellbeing programme and promoting RevivR, BHF's CPR training tool, to Travelodge's colleagues and customers. We are so thankful to Travelodge for their continued support.*

”

Olivia Capozzi  
Corporate Partnerships Manager, BHF





## Human trafficking and child abuse

Human trafficking is one of the common forms of modern slavery. It occurs when men, women, children and young people are forced, tricked or persuaded to leave their homes and then exploited, forced to work or even sold.

Worldwide, 49.6 million men, women and children were victims of modern slavery in 2021. 12% of all those in forced labour are children<sup>[1]</sup>. In the UK, Home Office statistics reveal that 12,727 potential victims of human trafficking were identified in 2021<sup>[2]</sup>.

The use of hotels for child trafficking and use associated with criminal activity is a recognised issue throughout the hotel industry. Police and children's charities advise us that criminal groups will often move vulnerable children to locations outside of their known local area to minimise the child's ability to access help.

All our hotel teams are trained according to national guidelines supported by the NSPCC, which have also been approved by the National Working Group on child sexual exploitation, National Police Chiefs Council's (NPCC) National Operation Makesafe Team and various individual Police Services. Training is delivered via eLearning every 6 months.



### KPI

Ensure all hotel colleagues to undergo safeguarding and human rights training during 2023 (not currently on long term absence or within their first 30 day induction training period).

## Data security and customer privacy

We are committed to ensuring that all personal data, relating to both our customers and colleagues is held in a safe and secure environment and is used in an ethical manner<sup>1</sup>. We have had no identified reportable data security breaches during 2022.

We aim to consider “privacy by design” as part of any business change, particularly in areas involving particularly large volumes or sensitive data, as evidenced by ongoing privacy impact assessments for all significant uses of personal information and the translation of these into development plans, contracts and actions.



### Case Study

#### Privacy by Design

During 2022 we replaced our customer survey service provider, and as part of this project we had to carefully consider data transfers outside the United Kingdom and implement arrangements to ensure data security for our customers.

This involved challenging conversations with our new partner with regard to the appropriate controls that needed to be put into place before we could commence our new service.

We contract our key supply chain to stringent auditable data security standards prior to contract start or upon renewal based on the risk they present to us, (predominantly ISO27001 and NIST), and data processing agreements which cover all aspects of privacy including subject rights, transfer legality, information security controls, sub-processing and applicable standards.

We also have an independent Data Protection Officer to arbitrate on behalf of our customers and colleagues.

We believe this important, despite not being a legal requirement following a change of guidance last year, because this offers impartial protection to our customers and staff should data incidents arise.

We only collect and maintain sensitive personal information data where it is strictly necessary for protection of life such as for Health and Safety reasons or consistent with maintaining good employment practices. Such usages are subject to mandatory privacy assessment.

A number of years ago we selected the Centre for Internet Security (CIS) Critical Controls Framework to start benchmarking our cyber security and drive the cyber security maturity of the organisation.

This was done via self-assessment and has served the organisation well to get our maturity to the level it currently is, on a par with our industry peers.

We have recently transitioned our Information Security audit framework from the CIS framework to the globally recognised National Institute of Standards and Technology (NIST) CyberSecurity Framework.

From 2023 this NIST control framework will be externally audited by a specialist agency to provide wider assurance and consistency.

These moves reflect the progress we have made in previous years and will enable our security and compliance programmes to stay aligned with industry best practices moving forward.





## Data security and customer privacy *(continued)*

We also conduct a wide array of colleague training and awareness programmes, scheduled and ad hoc technical security testing using a range of security tooling and independent third party specialists alongside a Responsible Disclosure Programme. We have an externally facing policy, available on our website, which provides instruction to external cyber testers on how to disclose cyber issues they may be aware of in relation to our website and other assets in an ethical manner. Issues raised are tracked internally to resolution. As a policy, we do not pay bug bounties.

We maintain, train and support data privacy champions in each of our business functions whose role is to ensure ongoing compliance with ethical business practices with regard to our customer and colleague data.



### KPI

We plan to maintain continuous testing and a phishing susceptibility rate of less than 10% across the business.



### Case Studies

#### Phishing awareness training

We operate a continuous colleague testing and awareness programme with colleagues tested multiple times per year. During 2022 we continued to exceed our KPI for phishing awareness even though we had many new colleagues join us in the summer.

We have also raised the complexity of the simulation testing to ensure colleagues have experience of how a sophisticated phishing attempt would appear.

#### How others see us

As part of our ongoing due diligence and assurance activities we benchmark our external asset security posture against our industry and more broadly using independent third party services.

We are currently in the top 20% for organisations with 100 or more hotels.

## Anti-corruption & anti-bribery

Travelodge's policy is to conduct all of our business in an honest and ethical manner.

We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships.

Wherever we operate, we are implementing and enforcing effective systems to counter bribery and corruption. We also operate an independent whistleblowing line.





# Our Performance: Conscious

Our goal is to become a net-zero business by 2050, including measuring and reducing our indirect scope 3 emissions. Having now agreed our plan for direct scope 1 and 2 emissions and the process to understand indirect scope 3 emissions, in the coming year we will set out to deliver this plan to target.

This will include the continuation of installing smart heating and cooling controls within our hotels, testing the ability to retrofit Air Source Heat Pump technology into a trial set of hotels and revising our new build and refurbishment specifications to reflect the strategic importance of sustainability. We also expect to conclude the initial measurement of our indirect scope 3 emissions and have set our first targets.

We are confident that through the implementation of this plan, we will meet our target to reduce our electricity consumption by 13% by the end of 2023, compared with a 2017 baseline.

We note that given the UK government has set in law that the UK will be net-zero by 2050, it is likely that legislation will also evolve in the coming decades to ensure businesses and individuals/consumers will be required to move away from gas consumption in due course. We have seen this start with the announcement that by 2025, all new homes will be banned from installing gas and oil boilers and will instead be heated by low-carbon alternatives.

In our first report, we said we would decide whether to accredit our plan against an external standard, such as SBTi. To be able to do this we need to have a plan for the emissions that we directly control (called scope 1 and 2 emissions), but also our indirect emissions (called scope 3 emissions) such as those produced by our supply base. To conclude on a decision, we therefore have to assess our indirect scope 3 indirect footprint and include those material greenhouse gas emissions in any plan, and ensure we have clear actions in place to reduce our footprint over time, aligned to the latest climate science. We intend to assess our indirect scope 3 emissions during 2023 and be in place to submit or consolidate direct and indirect plans by the end of 2023.

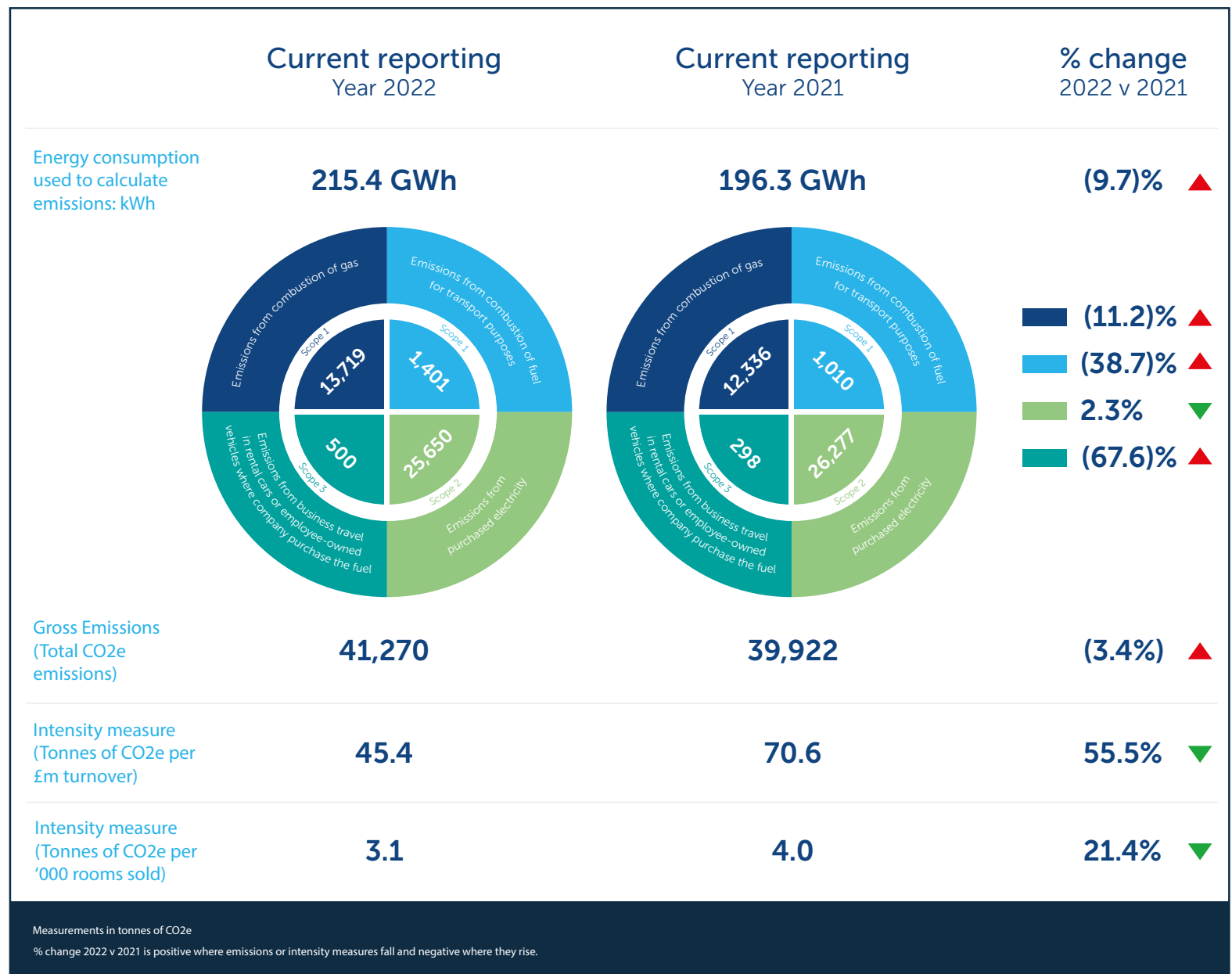


## Our direct carbon footprint

Our direct carbon footprint for 2022 was 41,270 tonnes (2021: 39,922 tonnes) of carbon dioxide and equivalent gases (CO<sub>2</sub>e), with an intensity of 45.4 tonnes (2021: 70.6 tonnes) of CO<sub>2</sub>e per £million turnover and 3.1 tonnes (2021: 4.0 tonnes) of CO<sub>2</sub>e per 1,000 rooms sold.

Although overall we used 10% more energy for 2022 versus 2021, our intensity metrics reduced because:

- We have continued to roll out smart heating cooling controls during 2022 to 133 hotels and benefited from the annualisation of a further 44 hotels completed in 2021
- Generally, 2022 was a warmer year than 2021, requiring less energy to heat our hotels, particularly in quarters 1 and 4
- We were more occupied in our hotels and had more sleepers staying with us, which inherently keeps our hotels warmer and therefore require less energy to maintain similar heating levels





## Energy management

In our first report in 2022 we set an objective to finalise our route to operating our hotels on a fully decarbonised basis by 2050, and also consider how this route could be aligned to external standards like Science Based Targets (SBTi).

Our hotels predominantly use electricity for lighting, alongside heating and/or cooling our buildings using panel heaters or air conditioning. In some cases hot water is also heated via electric boilers, although the majority use gas.

During 2022 we have focused on this objective, and now have a planned trajectory to make Travelodge a net zero operator by 2050 for our direct emissions. We expect to achieve this through a general reduction of net energy consumption through to 2030 by leveraging technology such as:

- Efficient LED lighting in both common areas and guestrooms
- Smart Heating and Cooling controls
- Solar panels
- Replacing old, inefficient, electrically powered boilers for hot water, with new technology such as air to water heat pumps

By 2030 we expect that we will be able to achieve a reduction in annual energy usage of around 75 GWh (or 35% of our 2017 energy use) across all of our existing hotels. This is an average across all of our existing hotels and will vary by hotel dependant on age and condition. To date, we have already generated an estimated annual reduction of 24 GWh through the installation of LED lighting at most of our hotels and smart heating and cooling controls at 260 of our hotels by the end of 2022.

By 2050, we aspire to also transition away from the use of gas to heat hot water and transition to new technology, with a current option being air to water heat pumps. As a leaseholder, we recognise the challenge of achieving this across c.500 sites where gas is used, given the significant estimated cost of doing so (estimated c.£70m to £80m). We will work closely with our landlords to ensure we deliver an optimal outcome to all parties.

The above plan, implemented in conjunction with the UK national grid fully decarbonising by 2050 as set out in law by the Climate Change Act, would achieve a balanced outcome for our direct emissions by reducing our existing electricity consumption, benefiting from a decarbonised national grid and seeking to transition our

gas consumption to more efficient technology. We will also understand our indirect scope 3 emissions and work with our supplier to drive their own decarbonisation.

We recognise that the transition to net zero is fraught with complexities - economic, political, technological, and social. We will continually review our plan as we progress towards a low carbon economy and we will support wider climate action as we do so, such as carbon offsetting where appropriate.



### Glossary of terms

#### Air to water heat pumps:

A relatively new air source heat pump technology that uses electricity to produce heated water. The key benefits as twofold: it uses electricity which can be generated from low or zero-carbon green sources, rather than gas, and it is approximately 300% more efficient than existing electric immersion or gas-fired domestic hot water systems.

Travelodge London City





## Energy management (continued)

In addition to developing our plan, we continued to deliver other energy reduction projects through the year. We installed smart heating and cooling controls at 133 of our hotels during 2022, bringing the total across the whole estate to 260 hotels. Reviews during the year continued to validate that installing these controls reduces our heating electricity consumption by around 45%.

Given new technology is also so important to delivering our wider plan, we now have air to water heat pump based hot water systems installed at 5 new hotels and plan to replace existing electric immersion hot water systems with air to water heat pump based systems in 2 of our existing hotels in Carlisle and Ilford during 2023.

This will enable us to test and understand the challenges of retrofitting these at existing hotels and be ready for a wider rolling plan of replacements of other electric immersion hot water systems within our existing estate from 2024.



### KPI

Reduce energy use by a further 1.5% by the end of 2023, bring our total reduction to 13% versus our 2017 base year.

Complete the assessment of our indirect emission footprint and be in a position to produce a SBTi submission by the end of 2023.



### Case Studies

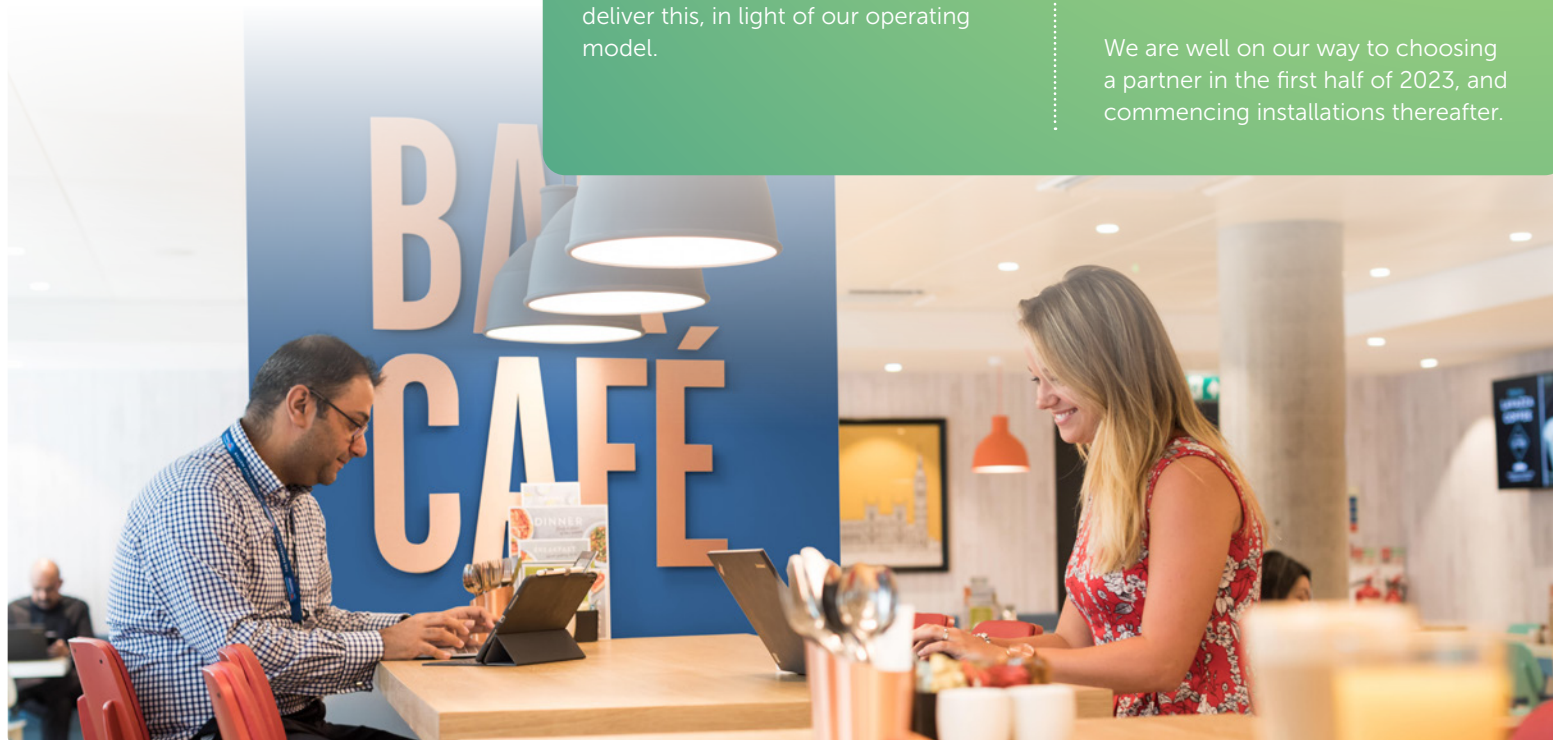
#### Emission reduction in preparation for our Net Zero Plan

During 2022 we spent time pivoting our energy programme, which was initially focused on financial value, to a more balanced plan which gives greater weighting to carbon reduction. This involved refreshing the various opportunities to reduce carbon emissions, with a detailed review of the complexity and cost to deliver this, in light of our operating model.

#### Electric vehicle charging

In addition to our route to reduce our direct energy consumption, we also want to ensure we can support our customers to arrive at our hotels more sustainably, without the need to do this using a fossil fuel vehicle. During 2022 we started a project to partner with an electric vehicle charging specialist with a view to installing chargers in all of our locations where it is possible to do so.

We are well on our way to choosing a partner in the first half of 2023, and commencing installations thereafter.



## Building new hotels and refurbishing our existing hotels

Growth through new hotels is key to our strategy. Despite challenging conditions in the property development market, in 2022, we opened 5 new hotels and plan to open a further 8 during 2023, we expect to return to more normal levels as these factors subside.

During 2022 we undertook a review of our new hotel construction specification and have identified opportunities to make changes that will ensure future hotel deals that are signed will achieve A rated EPC and a BREEAM performance level of at least Very Good.

Changes being introduced include extending the use of efficient lighting, smart heating and cooling control, requirements for material sourcing, undertaking site preparation and ecology planning in line with BREEAM requirements, enhanced landscaping and water attenuation and completion of life cycle costing and climate change material selection analyses.

The amended specification will be introduced during 2023, with a lead time from agreeing a lease to a hotel opening being a minimum of 18 months, meaning that it will be from 2025 onwards before all new hotel openings will achieve these standards.

Over and above the requirements of the updated specification, where viability allows, we have the aspiration to complete as many new hotels to the BREEAM level of Excellent as possible. We are not committing to achieving BREEAM Excellent in all cases as some potential sites (eg greenfield sites) would require disproportionate ecology measures to achieve that mark. In addition, in Scotland the BREEAM scheme is not utilised by planning authorities for planning conditions and so there is less familiarity with the method.

This will involve the use of air to water heat pumps, solar panel power generation and an extensive sub metered consumption monitoring system.

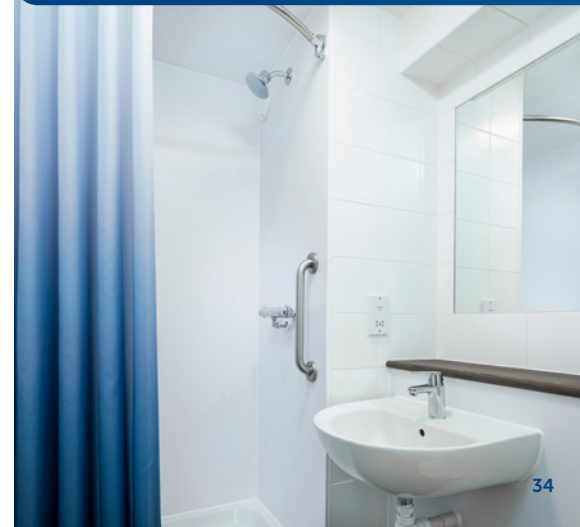
Travelodge Wimbledon Central



### Glossary of terms

**BREEAM** - BREEAM stands for 'Building Research Establishment Environmental Assessment Method'. It is an established method of measuring the sustainability of buildings and how the design of a building should be considered. It can form part of the planning conditions local authorities impose on new developments.

**EPC** - an Energy Performance Certificate (EPC) is a legally valid document which provides an energy efficiency rating (displayed on an A-G scale) in relation to a property's running costs. This rating will take into account the potential energy performance of the property itself (the fabric) and its services (heating, lighting, hot water etc).





## Building new hotels and refurbishing our existing hotels *(continued)*

Cyclical refurbishment of our existing hotels is another ongoing activity where we want to ensure we use products that have sustainable credentials, use as little CO2 as possible to make and that generate as little waste to landfill as possible. We also want to make sure that we reuse or recycle as many of the things we replace in this process as possible.

During our extensive 2022 refurbishment programme our partner contractors made big strides in reducing waste to landfill with 35% of projects completed without sending any waste to landfill. In 2023 we will continue working with our partners to make significant further reductions in waste to landfill and to further improve the reuse or recycling of items we replace in the course of a refurbishment.



### Case Studies

#### 2022 Refurbishment programme:

The refurbishment programme involves the replacement of a high volume of items such as mattresses, where the old items being removed can potentially be utilised in other sites.

All such items are now subject to a condition-based check post removal from site to assess whether they are fit to be repurposed back into another room as opposed to disposal. During 2022 this included 6,500 mattresses, 3,000 bedroom chairs and about 6,500 sets of curtains.

#### New hotel builds - London Wimbledon

Our new London Wimbledon hotel opened in November 2022. This hotel was also designed and constructed to an 'Excellent' BREEAM rating and achieved an EPC rating of A.

This hotel is equipped with air to water heat pumps as the primary source for heating hot water.

Areas of green roofing work as part of the water attenuation system that mitigates the impact of the development on the local drainage infrastructure.

One of the planning conditions for the hotel required the design to be enhanced to achieve 35% betterment against energy efficiency requirements of Building Regulations.

The completed design exceeds this condition by achieving 44% betterment over and above the Building Regulation requirements.



### KPIs

During 2023 we will redraft our Construction Specification for new hotels to incorporate the changes identified to enable us to deliver new hotels to the standard of at least BREEAM Very Good.

We will introduce the updated specification to new development agreements entered into from the second half of 2023 onwards.

We will also review existing development agreements and will look to introduce the updated specification where possible.

We expect to start discussions with our three key refurbishment suppliers during 2023 as part of our sustainable procurement drive which is covered later in this report.





## Adapting to climate change

In our last report we explained that even if the world stopped emitting greenhouse gases (GHGs) tomorrow, the effects of climate change would be felt for many centuries to come. Efforts today to reduce the amount of GHGs entering the atmosphere will help to limit the impact on future generations.

We set a target to understand how climate change will affect our business, customers and supply chain. During 2022, we partnered with a climate risk consultant and started a project to identify the climate related risks and opportunities which may impact us under different future states.

To ensure we future-proof our business against the impacts of climate change, we are identifying and assessing a range of climate-related risks relevant to our business.

These are categorised as either physical risks; resulting from weather and climate factors such as rainfall and temperature rise, or transition risks; arising from a failure to meet key expectations of businesses in a low-carbon economy.

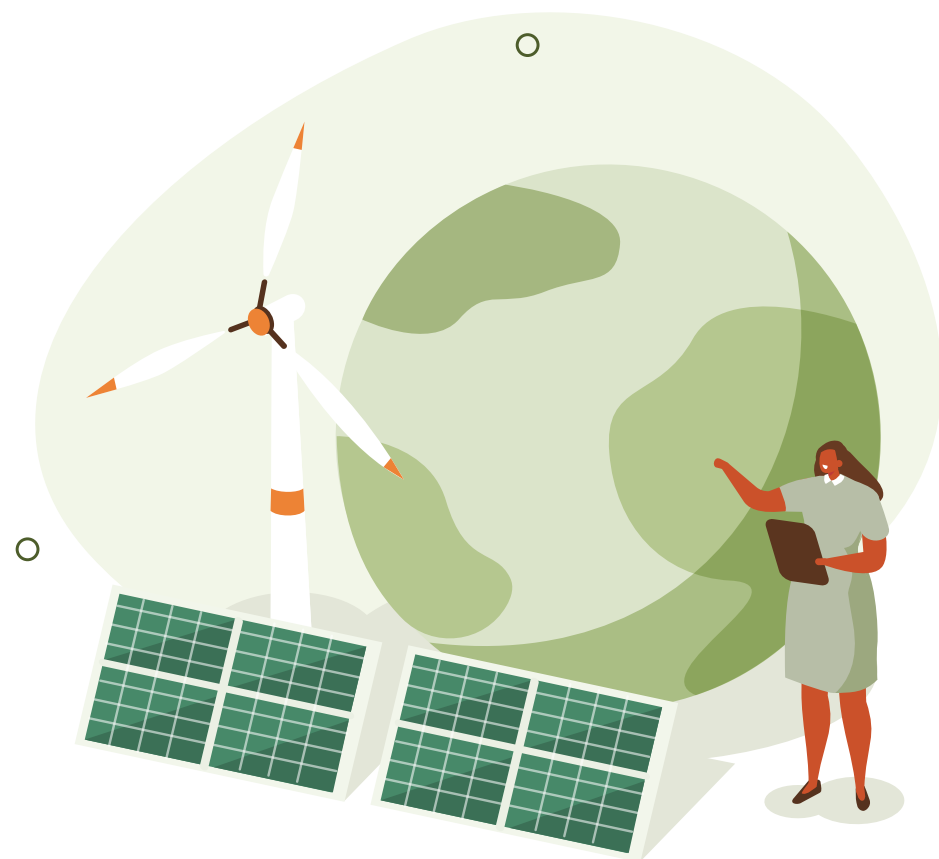
Due to the uncertainty of what the future holds, we are examining these risks under two distinct scenarios; one following the assumption that businesses continue as usual and global warming continues to increase unchecked, and a second scenario where businesses effectively transition toward a low-carbon economy on a global scale, thus limiting global temperature increase.

We expect to complete this project during 2023, and include the output from this in next year's annual report. This will also ensure Travelodge adheres to the requirements of the Task Force for Climate Related Disclosures ("TCFD").



### KPIs

Complete our climate risk and opportunity project during 2023.



## Water management

Water is a vital resource, however, around 40% of the world's population is affected by water scarcity<sup>1</sup>. The supply of water in the UK is becoming more unpredictable<sup>2</sup> and issues around taking water from surface sources alongside water infrastructure mean that within the next 20 years, demand for water in parts of southern England are projected to outstrip supply.

All businesses have a responsibility to use water wisely. Travelodge mainly uses water in bedrooms (showers, toilets and sinks) with some also used in Bar Cafés and for cleaning.

Our partner specialist energy brokers monitor and report on our water consumption, benchmarking our use against similar sized businesses and advising on measures to reduce our use. These include maintaining aerated shower heads and taps, which reduce the associated water consumption by up to 50%.



### KPIs

We have set a target to reduce our overall water consumption to 100 litres per customer by 2025 from 133 litres in our base year of 2018.

We are extending our maintenance programme, adjusting excessive shower flow rates, repairing leaks and addressing plant room issues.

We will also be assessing the opportunities for further water conservation and, where appropriate, water reuse.

During 2022 our plumbing team replaced toilet cisterns in 16 hotels covering over 1,500 rooms. These hotels are now averaging water usage of 104 litres per guest reduced from 171 litres pre fix.

Our estate wide benchmark is 119 litres per sleeper as at the end of 2022\*

\*Based on approximately 80% of hotels where we have consumption data

## Waste management & recycling

Waste comes in many forms and is generated by our business, our supply chain, and by our customers. Plastics, electronic waste, leftover food – everything no longer needed has to go somewhere.

In 2022, we identified with our waste suppliers and hotel team's potential opportunities to increase customer recycling. This year we will be trialling increasing customer recycling across our hotels to understand and set realistic targets and to ensure waste management procedures are easy for our Colleagues and Customers.

While recycling has its place, the best way of dealing with waste is not to create it in the first place. We are continuing our work with suppliers on the opportunities to rethink and redesign processes to avoid waste altogether. In parallel, we are working with our suppliers to ensure we implement the upcoming waste management legislation efficiently with simple processes in our hotels such as the Disposal of food waste in England and Wales, Deposit return Scheme in Scotland and waste segregation in Wales.



### KPIs

In 2023 we will work to set targets of % waste that will be recycled and also set out the key types of waste we plan to reduce and how, in readiness for 2024. We still have work to do with our suppliers to agree more detailed plans on how we reduce waste coming into our business.



### Case Study

#### Sustainable paper

In 2022 we moved our hotels to sustainable office paper made from Eucalyptus globulus which is 100% recyclable and FSC certified. The paper is 12% lighter naturally saving resources including fuel to transport and uses 40% less wood vs pine based paper reducing the number of trees required. Eucalyptus globulus is carbon efficient with the impact from one ream of paper offsetting the carbon emissions of a car travelling for 35 km.



## Responsible sourcing & supply chain management

Procurement plays a crucial role in executing sustainability strategies as it orchestrates where and how a company spends and can therefore ensure that business with suppliers is conducted in a manner that aligns to certain environmental, social and ethical standards.

Procurement can leverage responsible sourcing activities to identify and correct supply chain risks and encourage suppliers to limit environmental impacts.

Sourcing risks include labour exploitation, environmental pollution and unsafe working conditions.

Responsible sourcing will be a key element of development within our procurement processes and allow Travelodge to incorporate ethical, sustainable and socially conscious principles into sourcing, procurement and its overall supply chain management practices. Last year we targeted 15 business critical suppliers and conducted a sustainability assessment of their businesses using a bespoke questionnaire; developed jointly with Simply Sustainable.

This included questions such as the current position and any targets covering carbon footprints across all three scopes, inclusivity and diversity as well as health and safety and information security.



### KPI

During 2023 we plan to expand our supplier discussions to a further 32 key suppliers bringing our total supplier engagement up to 47 suppliers, representing around 60% of addressable spend (which excludes certain costs such as property related costs and colleague wages)

We aim by 2025 to have:

- Established supply chain KPIs and target improvement areas to report on,
- Included sustainability themed questions into all formal supplier tender processes, with agreed weighting criteria within evaluation scorecards,
- Established a sustainability governance model for Travelodge's supply chain; and
- Embedded carbon targets into an agreed level of our supply chain activities



### Case Studies

#### Nestle Down Beds (Sleeppeeze):

Our mattress and bed base provider have installed 591 energy saving solar panels which support 25% of plant requirements with the remainder sourced via renewable energy suppliers.

- A reduction of c.46 tonnes of CO2 p.a.
- 0% waste to landfill (since 2012)
- First UK Bed supplier to be awarded the Planet Mark Accreditation

#### Samsung:

Our provider of TV's, mobile phones and air conditioning. have achieved 100% renewable energy used in production.

- Winner of Gold Tier from the U.S. Environmental Protection Agency
- Reduction to date of c.301 million tons of CO2 emissions through financial investments in initiatives such as solar & wind projects
- 95% of all waste from manufacturing plants is reused in onward production
- 100% RMAP (responsible minerals assurance process) compliance across the entire supply chain
- Approx. 5 million tons of E-Waste collected and reused to date

# Performance: Next Steps and the Future

Our materiality assessment has already identified the key areas of focus we should address, ensuring we respond to those things our stakeholders care about most, and which also present the greatest risk to our business. Our key areas of focus will be:

Pillar	Inclusive	Inclusive	Caring	Conscious
Focus	Diversity & Inclusion	Labour practices and decent work	Labour practices and decent work	Decarbonisation and our future route to net zero
Progress in 2022	<p>At the end of 2022, 48% of colleagues in senior level roles are women and 5% identify from a minority ethnic group.</p> <p>Our commitments covered under our inclusive pillar detail the ways we will continue to progress in this area.</p>	<p>The first hotel group to become members of The Purpose Coalition supporting the UK's levelling up agenda.</p> <p>Deep dive sessions with This is Purpose to understand our impact on three of the social mobility goals.</p>	<p>Strong audit results</p> <p>Agreement to transition to new externally assured NIST information security framework</p>	<p>Updated new build specification ensuring new hotels are built to high environmental standards</p> <p>Reduced energy consumption across our estate as part of our energy efficiency programme</p>
Focus for next twelve months	<p>Focus on balanced short lists at the recruitment stage, and removing barriers to women's progression.</p> <p>Focus on how to attract more candidates from underrepresented groups at senior levels.</p>	<p>External launch of our levelling up impact report, supported by This is Purpose and Guy Opperman, Minister for Education.</p> <p>Create action plans to support two of the twelve opportunity areas identified by the government.</p>	<p>Reinforcement of high standards of Health &amp; Safety</p> <p>Embedding of NIST framework</p> <p>Refinement of cyber phishing testing across our business</p>	<p>Embedding of new build specification from hotel agreed</p> <p>Retrofit trial of air to water heat pumps</p> <p>Continuation of smart heating and cooling controls</p>



## Contact details

You can contact us via:

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## APPENDIX - Mandatory greenhouse gas reporting

We have reported on all of the emission sources which we deem ourselves to be responsible for, as required under the Companies Act 2006 (Strategic Report and Directors Report) Regulations 2013. These sources fall within our operations control and financial boundaries and include emissions from manufacturing, retail and distribution sites and the operation of our distribution fleet.

		Current reporting Year 2022 (GWh)	Current reporting Year 2021 (GWh)	% change 2022 v 2021
<b>Energy consumption used to calculate emissions</b>		<b>215.4</b>	<b>196.3</b>	<b>(9.7)%</b>
		Current reporting year 2022 (tonnes of CO2e)	Current reporting year 2021 (tonnes of CO2e)	% change 2022 v 2021
Scope 1	Emissions from combustion of gas	13,719	12,336	(11.2)%
Scope 1	Emissions from combustion of fuel for transport purposes	1,401	1,010	(38.7)%
Scope 2	Emissions from purchased electricity	25,650	26,277	2.3%
Scope 3	Emissions from business travel in rental cars or employee-owned vehicles where company purchases the fuel	500	298	(67.6)%
<b>Gross Emissions</b>	<b>Total CO2e emissions</b>	<b>41,270</b>	<b>39,922</b>	<b>(3.4)%</b>
Intensity measure	Tonnes of CO2e per £m turnover	45.4	70.6	55.5%
	Tonnes of CO2e per '000 rooms sold	3.1	4.0	21.4%

% change 2022 v 2021 is positive where emissions or intensity measures fall and negative where they rise.

The methodology used to calculate our emissions is based on the UK Government's Environmental Reporting Guidance (2013), the GHG Protocol (2004) and is in line with the methods used previously for reporting under ESOS and the CRC Energy Efficiency Scheme. Emissions factors are taken from the UK Government's GHG Conversion Factors for Company Reporting (2022 & 2021).

Recognising the importance of our impact on the environment we voluntarily adopted in part the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 for the year ended 31 December 2019.

In line with Companies Act 2006 (Strategic Report and Directors Report) Regulations 2013, we are now reporting our greenhouse gas (GHG) emissions as part of both our annual strategic report and annual sustainability report.



## APPENDIX - Summary of activity and KPIs

Pillar	Topic	New Activity	KPIs
Inclusive	Gender and ethnic diversity	Continued use of balanced short lists for gender and 20% of shortlisted candidates from ethnic minority backgrounds	50/50% gender balance of Senior Level colleagues by end of 2025 10% of Senior Level colleagues to be from an ethnic minority background by end of 2025
	Labour practices and decent work	Delivery of Levelling Up Impact Report in collaboration with the Purpose Coalition	100% compliance for 24+ hours contracts by end of 2025 (increased from 90% in 2022)
	Training and development	Continue to work with Disability Positive to further refine our customer experience for people with lived disabilities	Increase the number of head office internal promotions to 40% by 2025 and maintain for hotel operations at 70%
Caring	Health, Safety and Wellbeing		Increase "Your Voice" score "There are resources available to me at Travelodge to support my wellbeing" to 8.5 by 2025
	Charity		Encourage a further 1,000 people to train in CPR by the end of 2023
	Human trafficking and child abuse prevention		Maintain 100% of hotel colleagues to be trained in human trafficking and child abuse
	Cyber security	Transition to NIST externally assured information security framework	Maintain a phishing susceptibility rate of less than 10%
Conscious	Climate risk	Conclude our project to assess climate related risks and opportunities during 2023	
	Carbon emissions and net zero	Conclude carbon footprint maturation with scope 3 review Trial new water heating technology with retrofit trials during 2023 Conclude optionality to accredit a future net zero plan with SBTi Embed a new more sustainable new hotel build specification into our approval processes	Reduce our energy consumption by a further 1.5% during 2023 from our 2017 base level
	Water		Reduce water consumption to on average 100 litres per guest by 2025 from c.120 litres in 2021
	Procurement		Implement sustainable processes aligned to this plan into our Procurement processes during 2025
	Waste	Conclude review of waste production and prepare a detailed action plan with KPIs and targets	
	Ethics	Implement an appropriate form of ethics training for the Operating Board by 2023, with a review to consider wider implementation to other Senior Level colleagues thereafter	

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