



THE LYGON ARMS



Sustainability

REPORT 2024



INTRODUCTION

The Lygon Arms has thrived for centuries by embracing innovation while preserving its rich heritage. We've become synonymous with exceptional experiences in a timeless setting. However, true hospitality extends beyond the walls of our historic estate. It requires a deep respect for the environment we inhabit. That's why we remain dedicated to refining our sustainability practices while upholding the unparalleled character that defines The Lygon Arms.

Responsibility for people and the planet is fundamental to The Lygon Arms. Over the past year, we've actively measured our sustainability impact and implemented actionable changes. We've reviewed our employee handbook to equip staff with sustainable practices, prioritised eco-conscious suppliers through our procurement portals, and empowered guests to reduce laundry waste through an opt-out linen scheme. Single-use plastics in guest rooms have also been significantly reduced in favour of eco-friendly alternatives. We further invested in employee education by hosting an internal conference with sustainability experts FuturePlus, who explored integrating sustainability into our core decision-making processes. Through these efforts, The Lygon Arms strives to balance exceptional experiences with a positive environmental and social impact.

This report details our ongoing efforts to minimise our environmental footprint, strengthen our social responsibility, and ensure our operations are conducted ethically. We're committed to continuous improvement and believe that exceptional experiences can coexist beautifully with a sustainable future.



HOW THE LYGON ARMS TRACKS ESG IMPACT

As consumers and investors place a growing emphasis on sustainability reporting, regulations in this domain continue to evolve. We are also aware of how vital it is for businesses of all sizes and sectors to play their part in creating a more sustainable world for all of us.

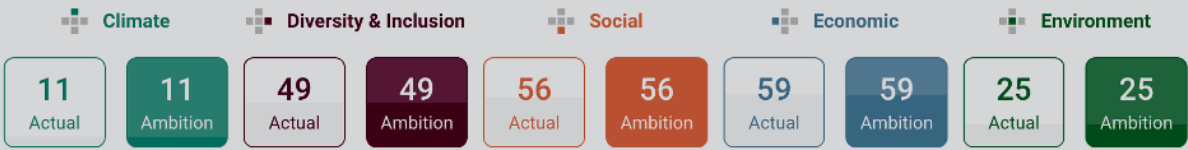
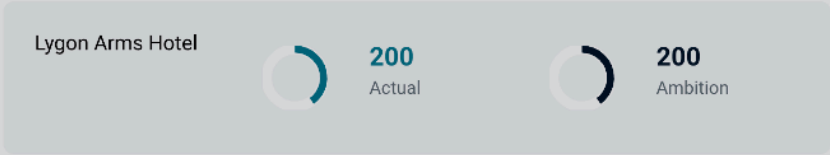
The Lygon Arms aims to stay ahead of the curve by implementing comprehensive sustainability reporting practices across our operations, integrating fundamental sustainability considerations into our decision-making and strategy, and demonstrating that sustainability and profitability go hand-in-hand.

Over the past 16 months, we have partnered with The Sustainability Group to use the FuturePlus ESG measurement and management framework to assess our impact and contributions in a variety of environmental, social and governance fields. FuturePlus assesses individual companies across five core themes: Climate, Environment, Economic, Diversity and Inclusion, and Social Impact. The platform provides both a benchmark sustainability score (the 'Actual' score) representative of current impact, and a quantifiable measure of where a company intends to be over the next three years across the five themes (the 'Ambition' score). Overall scores are out of a total of 500, with 100 points available for each of the five themes.

In our inaugural year with FuturePlus, we prioritised understanding and measuring our current sustainability performance. As we enter 2024, we are enthusiastic about leveraging this data to establish robust sustainability ambitions. These ambitions will serve as a guiding roadmap, enabling us to focus and prioritise our efforts effectively. Moreover, they will drive our 'Ambition' score within the FuturePlus framework, signifying our commitment to continuous improvement.

To support these ambitious goals, we have appointed a dedicated Sustainability Champion. We are also looking to establish cross-departmental green teams who will collaborate with our sustainability champion to spearhead our sustainability initiatives, ensuring alignment with our overarching objectives and values.

THE LYGON ARMS’ CURRENT FUTUREPLUS SCORES:



Sustainability Score
powered by
FUTUREPLUS

Our FuturePlus Roadmap provides a comprehensive task list that guides us through our sustainability goals and targets, with progress tracked and reported in real-time to ensure transparency, consistency, and improvement. FuturePlus also measures alignment with and positive contributions to the United Nations Sustainable Development Goals.



We understand that sustainability is a journey, and that we still have more to do. Our Ambition score across the five themes of Climate, Environment, Social, Economic, and Diversity and Inclusion is a measure of where The Lygon Arms intends to be over the next three years.

CLIMATE

Climate change presents an existential threat to organisations in all sectors and geographies. Businesses must respond to these risks and opportunities by ensuring that proactive strategic planning is embedded into decision-making processes. Having a response to climate change is also increasingly becoming a legal obligation. The Lygon Arms takes these threats and obligations seriously and is committed to mitigating the impact of its own business operations on the climate.

In the financial year of 2023, The Lygon Arms measured and reported on our Scope 2 carbon emissions for the first time.

- Scope 2 emissions are the indirect emissions associated with the purchase of electricity, steam, heat or cooling.

Table 1: Energy consumption (kWh)

	FY2023 UK Total Energy Consumption (kWh)
Purchased gas	2,455,628 kWh
Purchased electricity	1,228,590 kWh

Table 2: GHG emissions (metric tonnes of carbon dioxide equivalent - tCO₂e) by GHG Protocol Corporate Standard scope and intensity metrics for UK and global operations

	FY21/22 UK Total GHG Emissions (tCO ₂ e)
Scope 1: Emissions from purchased gas	442.01 tCO ₂ e
Scope 2: Emissions from purchased electricity	254.41 tCO ₂ e

OUR COMMITMENTS ON CLIMATE

At The Lygon Arms, preserving our historic estate goes hand-in-hand with protecting the environment for future generations. Climate change is a critical issue that we actively consider when reviewing and formulating our business strategies.

Our commitment to sustainability also extends beyond our own operations. Recognising the interconnectedness of environmental responsibility, we strive to work with suppliers who share our values. We are actively reviewing the strategies and policies of our vendors whilst encouraging them to adopt climate friendly practices. This ensures that throughout our supply chain, we are promoting responsible sourcing and minimising our overall carbon footprint.

Local sourcing is another cornerstone of our climate action plan. We strive to source fresh, high-quality produce from local suppliers whenever possible. This not only reduces transportation emissions, but also supports our local community and ensures the freshest ingredients for our exceptional dining experiences.

We acknowledge, however, that there's always room for improvement. With a focus on significantly reducing our emissions by 2030, we're actively exploring various avenues for improvement. This includes a comprehensive energy audit to identify areas for optimisation, the implementation of advanced monitoring systems to gain real-time insights, and the investigation of renewable energy options. By actively exploring these possibilities, we aim to develop a robust plan that minimises our reliance on fossil fuels and fosters a cleaner energy future for our property.

At The Lygon Arms, we believe that sustainable practices can coexist with exceptional service and a luxurious guest experience. By prioritising the climate alongside our dedication to hospitality, we strive to ensure The Lygon Arms remains a beacon of excellence for generations to come.



OUR CONTRIBUTIONS TO SDG 13 - CLIMATE ACTION

As part of our commitment to UN Sustainable Development Goal 13: Climate Action, we've taken steps to reduce our carbon footprint and encourage the use of sustainable transportation.

One key initiative is the installation of electric vehicle (EV) charging points on-site. These charging stations are conveniently located for guests and employees alike, offering them a clean and sustainable way to power their vehicles during their visit or workday.

Going beyond convenience, these EV points serve as a visible symbol of our dedication to environmental responsibility. We aim to encourage a shift towards electric vehicles not just within our operations, but also among our guests and staff. By providing charging infrastructure, we hope to remove a barrier to electric car ownership and promote cleaner transportation choices throughout the community.



DIVERSITY & INCLUSION

At The Lygon Arms, we know that addressing issues of diversity and inclusion, both within our direct operations and throughout our value chain, helps to ensure that our employees and stakeholders are treated equitably and with dignity and respect. Embedding diversity and inclusion into our organisation's culture will not only ensure that we get the best from our workforce, but will also help to boost our bottom line by attracting and retaining talent, and bringing a wide range of views to the table.

One of the hallmarks of our commitment to Diversity and Inclusion is gender parity within our most senior leadership teams. This reflects our dedication to breaking down barriers and ensuring equal opportunities for advancement across all genders. Furthermore, we have established robust policies and procedures that promote diversity and inclusion throughout the organisation. These policies encompass areas like recruitment, training, and workplace culture, ensuring fairness and respect for all employees.

Recognising the importance of mental well-being, The Lygon Arms offers dedicated mental health and well-being services to our staff. This includes having a designated mental health first aider on-site, who can provide initial support and resources to employees facing mental health challenges. Additionally, a senior member of our governance group has a specific remit dedicated to diversity and inclusion initiatives. This leadership commitment ensures that these priorities remain at the forefront of our decision-making and ongoing efforts.

We understand that diversity and inclusion are journeys, not destinations. We are constantly seeking new ways to improve and remain committed to fostering a truly inclusive environment where everyone can thrive, not just within our workforce, but also within the communities we reach.

Our current ambitions in this area include:

- Carrying out a diversity audit.
- To have clear and effective policies to prevent and penalise discrimination, harassment, and bullying in our supply chain.
- To ensure our organisation's dress code is inclusive, equitable, and reflective of employee needs.
- Externally promoting our values and how they apply to diversity and inclusion on our website.

OUR CONTRIBUTIONS TO SDG 4 - QUALITY EDUCATION

Recognising the transformative power of education (SDG 4), The Lygon Arms actively contributes to fostering a skilled and knowledgeable hospitality workforce. We bridge the gap between education and industry needs by partnering with local schools and colleges. Our initiatives offer students valuable skills and experiences to enhance their career prospects.



SOCIAL IMPACT

Businesses do not operate in isolation. Every decision and action we make affects not only our immediate workforce, but also a wider sphere of stakeholders, local communities, and society at large.

At The Lygon Arms, we believe that social responsibility goes hand-in-hand with strong community engagement. We are committed to being a positive force in the lives of our people, our neighbours, and the causes we care about.

Our people and teams are at the core of what we do. We empower our staff to give back through dedicated volunteering days, allowing them to dedicate paid time to causes they care about. This not only benefits the organisations they support but also fosters a sense of purpose and connection within our team.

Furthermore, fostering a socially responsible workforce is a priority. When selecting team members, we look for individuals who share our commitment to positive social impact. This ensures that our team is composed of passionate and engaged individuals dedicated to making a difference within the community.

We understand that building a strong and sustainable community requires ongoing effort. We are constantly seeking new ways to expand our social impact and remain committed to being a positive force for good.

Our Ambitions for Social Impact:

- To publish a supplier code of conduct which clearly communicates our values and expectations to all suppliers.
- To ensure our offered pension scheme is screened for its ethical, environmental, and social credentials.
- To develop or fund technology that will improve the sustainability of our industry.
- Contributing additional actions towards the targets of SDG 12 - Responsible Consumption and Production.

OUR CONTRIBUTIONS TO SDG 3 - GOOD HEALTH AND WELLBEING

At The Lygon Arms, we believe that good health and well-being (SDG 3) extend beyond the physical. We are committed to supporting initiatives that promote emotional and social well-being within our community. This is reflected in our longstanding contributions to the Midlands Air Ambulance Charity (MAAC). The MAAC operates and funds three air ambulances covering six midlands' counties and are one of the busiest air ambulance services in the UK.

In 2024 we are also committed to supporting Emily's Gift Charity, which supports children with cancer in Gloucestershire. After raising over £500k in 2023-2024 to fund a psychologist for 10 years, the current aim of Emily's Gift is to raise enough money to fund a 'Blood Sampling Machine' for the Emily Kent Unit enabling the children's blood to be tested in 45 seconds rather than wait for hours on the unit.

We have also committed to supporting The Heart of England Forest Charity throughout 2024. They are a charity focused on helping to reverse centuries of woodland decline by creating and conserving a huge broadleaf forest for the benefit of the environment, wildlife and people. A place of enduring natural beauty, protected and secured for generations to come.

ECONOMIC IMPACT

At The Lygon Arms, we believe our economic impact extends beyond simply generating revenue. We are committed to fostering a responsible and sustainable business model that benefits all stakeholders. This starts with our people. We ensure fair working hours and rest periods for all employees, promoting a healthy work-life balance. We also offer financial education programmes, empowering them to make informed financial decisions, and have established, accessible, and regularly reviewed employee grievance mechanisms to ensure any concerns are addressed promptly and fairly.

Transparency is another cornerstone of our economic impact. We publish transparent annual reports that detail our financial performance, sustainability efforts, and social impact initiatives. This commitment allows stakeholders to hold us accountable and understand our contributions to the community. Additionally, we have a robust anti-corruption reporting system in place, allowing employees and stakeholders to report any suspected unethical behaviour with confidence and anonymity.

Our stakeholder engagement extends beyond internal processes. Our advisory board includes representatives from various stakeholder groups, ensuring diverse perspectives are considered in our decision-making. Finally, we support the well-being of the wider community by offering discounted rates for charities, allowing them to host events or utilise our facilities for fundraising activities, ultimately contributing to the well-being of the community we serve. By prioritising fair treatment of employees, open communication with stakeholders, and community engagement, The Lygon Arms strives to be a responsible employer, a transparent business, and a positive force within the local economy.

LEO GROUPS

Beyond traditional top-down structures, The Lygon Arms prioritises strong governance through employee engagement. Our innovative “Leaders of an Engaged Organisation” (LEO) group serves as a unique advisory board, directly contributing to our economic and sustainability efforts. Open to all employees, regardless of position, the LEO group fosters a diversity of voices and perspectives. Employees can apply to join, demonstrating their passion for The Lygon Arms and their desire to contribute to its strategic direction.

This employee-led board plays a vital role in shaping our sustainability practices. LEO group members actively consult with leadership on various sustainability initiatives. Their on-the-ground experiences and diverse viewpoints inform strategies for energy reduction, responsible sourcing policies, and employee eco-awareness programmes. This collaborative approach not only leads to well-rounded decision-making, but also strengthens our commitment to environmental responsibility.

Our ambitions in terms of economic impact include:

- Publishing our first Modern Slavery Statement and Gender Pay Gap Report.
- Provide favourable payment terms to SMEs and/or small companies that operate in low income regions.
- Putting in place a due diligence process for identifying ethical or financial risks when selecting new partners, investors or suppliers.



SUSTAINABLE LEADERSHIP TRAINING

Equipping our leadership team with the knowledge and tools to drive sustainability is incredibly important if we are to drive real, tangible change. We partnered with FuturePlus to deliver a comprehensive sustainability training programme for all leadership staff. The session, divided into two parts, focused on building a strong business case for sustainability and empowering creative problem-solving.

In the first half, FuturePlus Co-Founders Alex Smith and Mike Penrose explored the financial and reputational benefits of integrating sustainability practices into hotel operations. Real-world examples from other successful hospitality businesses provided inspiration for our own leadership team. The latter half of the session fostered collaboration, with departments working together to develop innovative solutions for tackling sustainability challenges within their specific areas. The training culminated in each leader creating a personal sustainability pledge to bring back to their respective teams, fostering a culture of environmental responsibility throughout The Lygon Arms.

By empowering our leadership with the knowledge and tools to champion sustainability, we aim to also contribute to the sustainability of the hospitality industry as whole.



ENVIRONMENT

At The Lygon Arms, preserving the natural beauty of our historic estate and minimising our environmental footprint are core values. We take a multi-faceted approach to achieving a more sustainable future, with a strong focus on responsible waste management.

We understand the environmental impact of food waste. To address this, we've implemented comprehensive strategies to start measuring and managing food waste throughout our operations. Furthermore, we've initiated comprehensive recycling programmes throughout the property, to ensure that as much waste as possible is diverted from landfills, incinerators, and our oceans. Changes to our waste collection providers in the autumn, allowed us to increase the amount of waste we were able to recycle, and gain insight into our waste data. For the last 3 months of 2023, our recycling rate reached 73% with all remaining waste going to 'Energy from Waste' processing. Our figures for October- December 2023 are detailed below:

Table 3: Total waste produced

	Total waste for Jan - Dec 2023 (kg)	Extrapolated 2023 estimates* (tonnes)
Waste destined for EfW (energy from waste)	16.754	67
Glass	19.040	76
Mixed recyclables	4.200	17
Cardboard	3.250	13
Food	19.931	80
Totals	63.175	253

*Estimated calculated through extrapolation of available measured data within the reporting period.

Recognising the detrimental effects of single-use plastics on the environment, we've also actively reduced their use throughout The Lygon Arms. This commitment extends to guest rooms, restaurants, and operational areas. We've replaced single-use plastics with eco-friendly alternatives and refillables wherever possible. This has included replacing travel toiletries with large format bottles.

These efforts represent just the first steps on our journey toward environmental responsibility. We are constantly exploring new ways to improve our sustainability practices and remain committed to responsible environmental stewardship for the benefit of our historic estate and the wider community.

Our ambitions in this area over the coming months include:

- Putting in place a waste reduction strategy across all operational sites.
- Investing in environmental protection and conservation.
- Undertaking a materiality assessment in order to better understand and prioritise sustainability issues within the business.

OUR CONTRIBUTION TO SDG 12 - RESPONSIBLE CONSUMPTION AND PRODUCTION

Recognising even minor adjustments can significantly reduce our environmental footprint, The Lygon Arms has introduced a guest laundry opt-out scheme. This program tackles the hospitality industry's challenge of excessive laundry waste.

Daily linen changes come at a cost to the environment due to water, energy, and chemical use. Our opt-out scheme empowers guests to make sustainable choices. While fresh linens remain available upon request, the programme encourages mindful consumption. Well-received by guests, the scheme has demonstrably reduced our laundry-related water and energy consumption, along with the use of detergents and chemicals, resulting in a smaller environmental footprint.

LOOKING AHEAD

The Lygon Arms is committed to being a leader in our industry, but we are also on a journey to ensure that our sustainability objectives are not compromised as a result. It is crucially important for us to continue to measure, monitor and report on our sustainability in a transparent way.

Through the use of the FuturePlus platform, we have been able to track some great improvements across the five themes over the past 16 months, while recognising that there is a lot more we can do. Making continual improvements with our sustainability is not easy, but it is fundamental to our underlying philosophy and success in business today.



THE LYGON ARMS

At The Lygon Arms, ESG has been a key focus for some time amongst our team, ensuring we are doing what we can to benefit the environment, to increase sustainability and support the local community. We empower and challenge our team to look at new opportunities and initiatives where we can make changes for the better.



General Manager and Innkeeper