

Royal Automobile Club

Real - Action - Counts

~ The driving force for a sustainable future ~

Introduction

The Royal Automobile Club has already shown a commitment to operating its Clubhouses more sustainably, with the introduction of several initiatives relating to waste management and energy reduction over the past few years.

Whilst heritage remains a crucial part of the Club's ethos and personality, there is also a strong desire to help build a more sustainable future for the members of tomorrow.

The Club is keen to take the opportunity provided by the COVID-19 pandemic to elevate previous and existing initiatives to the next level with a comprehensive, long-term sustainability strategy, which will help further develop the sustainability of operations within both Clubhouses.

As experts in sustainability for the hospitality industry, Considerate Group were enlisted to support the Club to compile this strategy. The team at Considerate carried out a comprehensive review and consultation with key stakeholders from the Club, which included the following actions:

- review of all existing documentation relating to policies, procedures, and processes in place at the Clubhouses
- a baseline analysis to ascertain current performance against key sustainability principles and the global framework of the UN's Sustainable Development Goals
- a baseline analysis of resource consumption at both Clubhouses
- a strategic workshop held at the Club with key stakeholders from all departments, including HR, Finance, Communications, Motoring and all other operational departments, to garner opinions and identify the sustainability priorities for the Clubhouses

Following this analysis and consultation process, this strategy document was produced.

The strategy is built around three key pillars: **Environment, Social, and Governance (ESG)**. Our pillars are known as Protecting our Planet (E), Investing in People (S), and Driving Change (G). For each pillar, long-term ambitions have been set.

The long-term sustainability ambitions for the Clubhouses are summarised as:

Protecting our Planet (E) - minimising the negative impact of Clubhouse operations on the environment, including a particular focus on:

- Reducing energy and water consumption
- Reducing waste
- Contributing to biodiversity net-gain

Investing in People (S) - focusing on a positive, inclusive culture for staff, members, suppliers, and our local communities, including a particular focus on:

• Becoming an employer of choice

- Improving procurement practices
- Being a good neighbour

Driving Change (G) - with a particular focus on:

- Monitoring and reporting back internally (ie using data to evidence progress and support decision-making and being accountable for our progress)
- Integrating sustainability across Clubhouse Operations
- Communicating progress and success to our Staff and Members (when appropriate)

Progress towards each ambition is driven by a clear set of short- and medium-term goals; all are explained in more detail in the full strategy.

<u>Context</u>

Respecting the Royal Automobile Club's heritage - motoring, social, sporting, and architectural - within a sustainable, contemporary context

The Royal Automobile Club is a prestigious members' club founded in 1897, with two clubhouses: one located in Pall Mall in Central London, and the other at Woodcote Park in the Surrey countryside. The core values of the Club are to focus continually on the needs of members as the basis of the Club's present and future health; to encourage tolerance and consideration between members, within a diverse member-owned club; to encourage a welcoming and friendly environment for members and their guests; to respect the Club's heritage – motoring, social, sporting and architectural – within a sustainable contemporary context; to provide a wide variety of high-quality facilities and services that are good value for money and exceed members' expectations; to maintain the highest standards of club management for all members and employees. Heritage is a crucial part of the Club's ethos and preserving this remains a central priority. Alongside preserving heritage, the Club has also shown commitment to the future; Clubhouse operations are ahead of the curve within the industry when it comes to sustainability.

Since 2014, the Clubhouses have been working to an existing sustainability policy and a set of overarching objectives to:

- improve awareness and understanding of environmental issues and sustainable development;
- promote sustainable practices and knowledge amongst staff;
- take steps to reduce the Clubhouses' environmental impact, and;
- conserve resources throughout operations.

In 2018, demands for urgent action on climate change grew ever louder. Consumers, businesses, and governments recognised the need to accelerate global efforts to reduce greenhouse gas emissions and tackle the destruction of the natural world. The Club shared this sense of urgency and, in July 2018, formed a working group to review the sustainability policy for the Clubhouses and started implementing more dedicated plans around waste management and the principles of 'Reduce, Reuse, Recycle'. As a result, the following additional and more specific goals were introduced:

- Reduce waste to landfill by 5% in 2019 and a further 5% in 2020;
- Eliminate single-use plastic from the supply chain by the end of 2020.

While the impact of the COVID-19 pandemic presented challenges to achieving each target as hoped, the Club was successful in enhancing existing, and implementing several new, sustainability initiatives. Areas of improvement within Clubhouse operations of which the Club are particularly proud include:

- **Improving energy efficiency** through installation of combined heat and power boilers, induction kitchens at Pall Mall, more efficient equipment such as ice machines and dishwashers, and changing lighting to LED, including a £70,000 investment in this area for banqueting in 2021
- **Reducing waste** by working with local councils, improved recycling, working with suppliers to reduce packaging accompanying food deliveries, targeted eradication and reduction of single-use plastics, installation of biodigesters in kitchens to transform food waste into grey water, and innovative refurbishment including the use or recycled tyres in kitchen flooring
- **Reducing water use**, and improving biodiversity, on the golf course through the creation of a reservoir
- **Reducing negative impact on the natural environmental** by moving towards using 100% eco-friendly cleaning chemicals, use of Red Tractor-certified produce in kitchens, introducing sustainable travel initiatives for staff, and disposing safely of used cooking oil with Olleco (who use it to create high quality biofuels for transport reducing vehicle carbon emissions by 88%).
- **Promoting nature** and **habitat improvement** through development of a family adventure facility within the woodlands of Woodcote Park

The COVID-19 pandemic has meant that it has been difficult to maintain momentum, and whilst uncertainties remain in some of the key areas of the business, the Club remains committed to building on previous initiatives with a comprensive long term sustainability strategy.

Daniel Pereira, COO, summarises this commitment as follows:

As we emerge from the pandemic, now is the time to review our previous plans and set a well-defined strategy, with clear measurable goals, that will help us to reduce the environmental impact of the Club's operations, whilst also continuing to build on our status as a good employer and working further with the local community.

The Club will continue to be a prestigious and aspirational organisation that takes its environmental responsibility seriously. Here we lay out our long-term ambitions and strategy for the next five years...

Long-Term Ambitions (looking towards 2050)

Royal Automobile Club has used the language, goals and targets as set out in the globally recognised UN Sustainable Development Goals (please see Appendix C for details) as a starting point for this strategy. In light of the progress made to date, the Club looks to work towards the following long-term and over-arching ESG ambitions:

- a) **Protecting our Planet (E)** minimising the negative impact of Clubhouse operations on the environment, including a particular focus on:
 - **Reducing energy and water consumption** improving efficiency and operations and reporting against our short- and medium-term goals
 - Reducing waste we are ahead of the curve when it comes to waste reduction. That's why we commit to doing what we can to reduce waste in-house and reduce packaging through our supply chain. The Club aims for zero waste to landfill by 2035
 - **Contributing to biodiversity net-gain -** Enhancing the quality, quantity and combativity of wildlife habitats on our land
- b) **Investing in People (S)** focusing on a positive, inclusive culture for staff, members, suppliers, and our local communities, including a particular focus on:
 - Becoming an employer of choice building on our reputation as a good employer to become recognised as an employer of choice, and to be recognised as one of the 30 Best Places to Work within not for profit organisations by the Sunday Times
 - **Improving procurement practices** ensuring the responsible purchase of all produce, products, and services

- **Being a good neighbour** supporting in-kind those that live and work next to or near our sites
- c) **Driving Change (G)** driving sustainability initiatives including a particular focus on:
 - **Monitoring and reporting** using data to evidence progress and support decisionmaking and being accountable for our progress
 - Integrating sustainability across all business activities to include HR practices
 - Communicating success sharing best practice and lessons learned with all internal stakeholders

Short (by 2023) and Medium-Term (by 2026) Goals

To work towards these longer-term ambitions, the Royal Automobile Club has the following shorterterm (by the end of 2023) and medium-term (by 2026) goals under the areas of (1) Environment, (2) Social, and (3) Governance.

(1) Protecting our Planet - Environment

A responsibility for all operations and management

1. ENERGY CONSUMPTION

a) We recognise that energy consumption is one of our biggest contributors to greenhouse gas emissions and are committed to reducing overall consumption.

We have already taken steps by:

- Replacing existing lightbulbs with LED lightbulbs across both sites
- Fitting induction kitchens in Pall Mall

In the short term, we are also aiming to:

- Monitor, analyse, and understand our energy consumption using a dedicated data monitoring platform
- By the end of 2022, better understand peaks and troughs in our consumption and the factors that impact this
- By the end of 2022, set annual reduction targets for reducing energy consumption

In the medium term, we also aim to:

• Communicate actions to staff and members to encourage more energy-efficient behaviours

2. WASTE MANAGEMENT

a) The Club is committed to reducing the amount of non-food waste generated throughout both Clubhouses.

We have already taken steps by:

- Working with a waste management company at our Pall Mall site who does not send any waste to landfill, and ensures non-recyclable waste is disposed of as sustainably as possible
- Encouraging site teams to create less waste, through initiatives such as removing general waste bins from staff areas, adding recycling bins to member-facing areas, and introducing a low printing policy
- Working with suppliers to remove cardboard packaging from kitchen deliveries where possible, reducing the amount by 6 tonnes per month. Many deliveries now arrive in crates which are returned to the suppliers and re-used

In the short term, we are also aiming to:

- More accurately monitor and manage all waste streams to see where reduction can be achieved
- By the end of 2022, better understand our waste systems by mapping them and introduce waste separation bins throughout all areas of the Clubhouses (back and front of house)

- By the end of 2022, set data-driven annual reduction targets for reducing non-food waste
- By the end of 2022, develop a sustainable refurbishment policy to support future refurbishment and construction projects for the Clubhouses
- Continue to work with teams to encourage innovative thinking to help achieve targets

In the medium term, we also aim to:

- Identify ways to reduce recycling waste and instead improve the re-use of items by working with suppliers
- b) The Club understands that throwing food away not only wastes the food itself, but also the energy and resources which go towards producing, storing, and delivering it. We therefore commit to understanding where our food waste comes from and reducing it.

We have already taken steps by:

• Installing biodigesters at both Clubhouses which convert food waste into a harmless liquid that is disposed of through the sewerage system

In the short term, we are also aiming to:

- Understand and measure where our food waste comes from whether it be over-ordering, spoiled produce, preparation, or plate waste
- Compost food waste, wherever possible
- Research, and ultimately partner, with a food charity or food bank to which any surplus, unspoiled food waste can be donated
- By the end of 2022, set data-driven annual reduction targets for food waste
- c) The Club commits to eradicating single-use products (including plastics) from its Clubhouses.

We have already taken steps by:

- Replacing plastic straws with a paper alternative
- Making disposable razors available on request instead of readily available, reducing usage from 17,000 to 5,000 items per year
- Replacing single-use plastic cups with a biodegradable alternative
- Ensuring room amenities are now largely without single-use plastic
- Making great strides in reducing the amount of plastic wrapping that enters the Clubhouses

In the short term, we are also aiming to:

- Carry out a full inventory of all remaining single-use items in both Clubhouses by the end of Q3 2022
- Assess whether single-use items removed from Clubhouse operations, can be replaced by a reusable product, or (at minimum) can be replaced with a more sustainable, albeit single-use, alternative
- Make the necessary purchasing changes to remove all single-use plastic from Clubhouses by the end of 2022 where possible

In the medium term, we also aim to:

• Make the necessary purchasing changes to remove all single-use items from operations

3. USING WATER AS EFFICIENTLY AS POSSIBLE

 a) Water is a precious resource, and water scarcity is becoming an issue of increasing importance as climate change increases the temperature of the Earth and our oceans. The Club is therefore committed to using water more efficiently throughout its Clubhouses and grounds

We have already taken steps by:

• Creating a reservoir at Woodcote Park which holds 5 million gallons of water. The reservoir helps to conserve rainwater and drain the land during periods of heavy rain. Water stored is also used to irrigate the land and golf course, reducing our reliance on using potable water

In the short term, we are also aiming to:

- Review our current water consumption to analyse where changes can be made
- By the end of 2022, set data-driven annual reduction targets for reducing water consumption

In the medium term, we also aim to:

- Install more water efficient equipment to help decrease consumption
- Measure the impact of our reservoir on water consumption and carbon footprint
- Understand the impact of our golf course operations on our overall water consumption as part of our longer-term sustainability objectives

4. **BIODIVERSITY**

a) As custodians of historical buildings and the land we own, we are committed to further enhancing the ecology and biodiversity of the Clubhouses by improving the quality, quantity and connectivity of wildlife habitats.

We have already taken steps by:

- Commissioning an ecological appraisal and arboriculture assessment at Woodcote Park in 2014 to consider the environmental impact of planned improvements to the building and grounds, and identify opportunities to enhance biodiversity
- Improving and managing a biodiverse woodland habitat at Woodcote Park
- Using eco-friendly chemicals throughout housekeeping operations at both Clubhouses which are kinder to the environment

In the short term, we are also aiming to:

- By 2023, commission a further ecological report for Woodcote Park to assess changes and progress since the earlier report (with particular focus on the impact of the woodland area and reservoir)
- By the end of 2022, re-instate beehives at Woodcote Park
- Undertake continual new planting of a mix of native trees at Woodcote Park at least 5 new trees per year from 2022

In the medium term we also aim to:

- Use the ecological report to identify future areas of focus and annual, species-targeted interventions for implementation at Woodcote Park
- Understand the long-term sustainability of the golf course in relation to delivering net gain, biodiversity interventions*
- Investigate options to improve biodiversity at the Pall Mall site, including identifying options for beehives

*Net gain in this context is about the amount of carbon that we remove from the atmosphere as a result of the trees/plants in and around the golf course.

5. TRANSPORT

a) While our motoring heritage remains at the heart of the Club, we are aware of its environmental impact and support the future of sustainable transport.

We have already taken steps by:

- Offering a staff shuttle at Woodcote Park to allow staff to access the site without using private cars
- Commissioning of a sustainable transport study at Woodcote Park
- Encouraging staff at both Clubhouses to use public transport
- Offering all staff access to a Cycle to Work scheme
- Installing eight electric car charging points for members

• Disclosing emissions from company vehicles as part of SECR reporting

In the short term, we are also aiming to:

- Install a secure cycle shed for members to provide viable parking alternatives if not using cars
- Revitalise the sustainable transport policy for staff
- Install electric car charging points for staff and Clubhouse vehicles

In the medium term, we also aim to:

- Review company-owned vehicles (excluding heritage vehicles) and make a targeted plan to replace these with more sustainable options
- By 2025, ensure appropriate availability of charging points or alternative fuel provision suitable for modern more sustainable vehicles

6. Calculate, understand, and reduce our carbon footprint

a) All the actions indicated above contribute to understanding and reducing our carbon footprint from Clubhouse operations. We are committed to thoroughly understanding our current impact and reducing it over the next three to five years.

We have already taken steps by:

- Reporting on scope 1 emissions relating to energy consumption and fuel usage for 2019 and 2020, as part of the SECR government requirements
- Starting to monitor emissions from energy and waste at both Clubhouses as part of a new monitoring system

In the short term, we are also aiming to:

- Fully understand scope 1 and scope 2 emissions from both Clubhouses by June 2023
- Set annual reduction targets for scope 1 and 2 emissions from both Clubhouses by October 2023

In the medium term, we also aim to:

- Understand our avoided emissions achieved through reservoir and woodlands (and any additional natural habitat) development by 2024
- Understand further our scope 3 emissions from both Clubhouses by 2026
- Put initiatives in place to support and influence reduction of scope 3 emissions from both Clubhouses, to include working with and influencing suppliers by 2026
- Aim to achieve net zero for scope 1 and scope 2 emissions by the end of 2026

*Net zero means achieving a careful balance between the carbon emitted into the atmosphere, and the carbon removed from it. This balance - or net zero - only happens when the amount of carbon being added to the atmosphere is no more than the amount removed.

The Royal Automobile Club is aiming to reduce all carbon emissions. For 2026, there is a specific focus on achieving net zero for scope 1 and 2 emissions (i.e. mitigating all direct emissions associated with on-site fuel combustion such as gas boilers, air-conditioning, and Indirect emissions from electricity purchased and used on site). This intent includes using 100% renewable energy at both sites, subject to feasability. The Club also aims to offset, through on-site nature-based solutions, any emissions which cannot be eradicated.

(2) Investing in People - Social

A responsibility driven in partnership with our HR department

1. BECOMING AN EMPLOYER OF CHOICE

a) Our people are essential to the continued success of the Clubhouses. We remain committed to supporting our teams.

We have already taken steps by:

- Achieving silver status as Investors in People
- Mentoring provision from the Clubhouse senior management team to young people entering the hospitality industry
- Asking our Clubhouse staff to regularly complete a survey to provide us with their feedback on the Clubhouses and their working conditions, and providing feedback on those surveys via bi-annual staff briefings
- Providing all staff with opportunities to explore training options on an annual basis as part of the appraisal process

In the short term, we are also aiming to:

• Develop a wellbeing and mental health support package

In the medium term, we also aim to:

- Achieve gold status as Investors in People
- Have at least 10 department managers from the Clubhouses acting as Springboard ambassadors; helping disadvantaged and underrepresented members of our local communities to access employment in hospitality

2. HEALTH AND WELLBEING

a) Health concerns during the worst of the pandemic have been front of mind for everyone. We wish to continue our commitment to offering a safe and healthy environment for all, into the future.

We have already taken steps by:

- Furthering developing outdoor spaces at both Clubhouses to encourage staff and members to spend more time in nature
- Outdoor training options for members

In the short term, we are also aiming to:

- Put in place a mental health support system for staff
- Provide and highlight healthier menu/food choices for members and staff at both Clubhouses
- Develop a wellbeing package for staff

3. EQUALITY AND DIVERSITY

a) The Club is fully committed to the elimination of unlawful and unfair discrimination and is committed to providing equal opportunities in employment and avoiding unlawful discrimination in employment and values the differences that a diverse workforce brings to the Club and its Clubhouses.

We have already taken steps by:

- Putting in place a formal diversity and equal opportunities policy, outlining our commitment to upholding the law and ensuring equal opportunities for all
- Publishing an annual Gender Pay Gap report which outlines the differences in pay between men and women within the workforce

In the short term, we are also aiming to:

- To review on an annual basis our recruitment policies and make-up of our teams to ensure equality policies are being adhered to
- To review our training and development processes to ensure equal opportunities for development are open to all

4. **RESPONSIBLE PURCHASING**

a) The Royal Automobile Club wants to purchase products and services from businesses whose environmental ethos align with our own.

We have already taken steps by:

- Creating a Sustainable Procurement Policy for use by the Clubhouses
- Promoting a preference for purchasing from suppliers local to the Clubhouses
- Working with (predominantly food & beverage) suppliers to reduce plastic packaging

In the short term, we are also aiming to:

- Revitalise the existing responsible purchasing policy for use by the Clubhouses
- Create guidelines and processes to ensure the policy is integrated into day-to-day Clubhouse operations
- By 2023, compile a comprehensive list of all suppliers for both Clubhouses and reviewing them against the new policy and guidelines

In the medium term, we also aim to:

- Review all items available for purchase through our retail outlets at the Clubhouses to ensure they conform to our sustainable procurement policy
- b) A clear area of our commitment to responsible purchasing relates to food choices. The Club is committed to offering more sustainable menu choices to members

We have already taken steps by:

• Purchasing Red Tractor-certified produce

In the short term, we are also aiming to:

- Purchase from producers and suppliers located within 50 miles of our Clubhouses
- Plant a diverse herb garden, within the walled garden at Woodcote Park, to meet all annual food and beverage herb requirements at Woodcote Park by the end of 2022 and at both properties by the end of 2023
- Integrating more sustainable options, year-on-year, into our menus, ensuring they are clearly identifiable for members

In the medium term, we also commit to:

• Developing links with local wildlife trusts and nature specialists to celebrate wildlife friendly menu options

5. COMMUNITY ENGAGEMENT

a) The Club is committed to forging strong relationships with neighbours and the local community

We have already taken steps by:

- Sourcing and purchasing locally produced or made products
- Providing access to the sports facilities at Woodcote Park to local junior sports clubs

In the short term, we are also aiming to:

- Forge links with at least one local charity per year; offering in-kind support
- Create at least one annual event bringing together staff, members and the local community, e.g. a litter-picking event or summer fete

(3) Driving Change - Governance

A responsibility of the Board and Committee of the Club working with Management

We have already taken steps by:

• Implementing and regularly reviewing policies and procedures covering a variety of operational business aspects, including health and safety, equality and diversity, anti-bullying, and environment.

However, this strategy encourages us to broaden the scope of aspects covered within the sphere of our governance.

1. MONITORING AND REPORTING

a) The Royal Automobile Club is committed to putting this strategy in place and holding itself accountable for its implementation.

In the short term, we are also aiming to:

- Monitor our resource consumption and waste production at both Clubhouses
- Gather regular feedback on sustainability initiatives from staff and members
- Create annual action plans; breaking down shorter-term, five-year strategic initiatives and targets into annual or quarterly, 'bite size' actions
- Report on progress against annual action plan and towards strategic targets through an annual, transparent internal sustainability report (to be made available to all members and staff)

In the medium term, we also aim to:

• Put in place systems to monitor our carbon footprint, biodiversity improvements, and supply chain, which will also be reported on as part of our annual (internal) report

2. INTEGRATING SUSTAINABILITY INTO HR PROCESSES

a) As part of our commitment to integrating sustainability throughout every aspect of our operations, we also commit to making this part of all HR processes.

In the short term, we are also committing to:

- Building a culture of sustainability within the workforce, including a sustainability focus within recruitment and selection processes (e.g. sustainability will be part of job descriptions, job advertisements and selection criteria)
- Ensuring all new staff members receive a sustainability induction relevant to their role
- Providing all staff with annual sustainability training
- Integrating sustainability KPIs into job descriptions and appraisals
- Ensuring all Clubhouse staff have access to the intranet, where they will be able to access internal information on sustainability

3. COMMUNICATION

a) The Club is committed to communicating its policies, progress, and ethos to its staff and members

We have already taken steps by:

- Achieving a Bronze Green Tourism Business Scheme award for both Clubhouses (2018)
- Establishing a green team to bring actions and initiatives to life within the Clubhouses

In the short term, we are also aiming to:

- Provide information to staff, members, and suppliers to help educate them as to where they can have an impact and make a difference
- Make this stragety available to our members through our website and communicate its existence through our newsletter
- Communicate through our newsletter and social channels our new initiatives and progress against our ambitions
- Re-launch our green team activities and provide them with communication-related tasks to better inform the staff and members of our initiatives and progress
- Develop a communications plan to encompass all the points highlighted within the Environment, Social and Governance section above by the end of 2022
- Achieve Gold status in the Green Tourism Business Scheme for our Clubhouses by the end of 2023

In the medium term, we also commit to:

- Developing a sustainability section on our website where policies, reports and initiatives are made available to members and staff
- Regularly reviewing this strategy, ensuring updates are communicated to members and staff annually