

This document has had some information redacted from it due to it being of a commercially sensitive nature. This information does not change the meaning of the remaining content but adds additional detail where available.

## The Restaurant Group – EIT questions

We aim to accurately understand the biodiesel supply chain to help assess our case including biodiesel production and blending, upstream production, and downstream production.

### Upstream production

We know that The Restaurant Group supplies used cooking oil (UCO) within the upstream section of the supply chain. We are interested in The Restaurant Group's input to help us understand how UCO supply and biodiesel production depend on each other and the relationship to the wider economy. We are keen to know more about the size and dependence of UCO supply on production and blending of biodiesel.

Please tell us about how UCO supply depends on links to the production and blending of biodiesel.

- How much does The Restaurant Group and more generally the restaurant/food/hospitality sector depend on selling UCO for producing and blending biodiesel?  
On current forecasts post COVID estate and trade we expect that income from this revenue stream could equate to in the region of [REDACTED] (the forecast annual revenue has been removed) annually. This is a significant number which directly impacts EBITDA. Whilst other operators will sell more/less UCO at potentially lower or higher rates I suspect they also treat this area as a significant contributor.
- We understand from The Restaurant Group Pre-Sampling questionnaire that UCO price and revenue could fall. Are you able to explain this with any further evidence?  
We know from the past when the market has been flooded with either cheap / subsidised virgin oil or bio diesel this can drastically and directly impact the price we can achieve for our own UCO. The evidence of this can be seen in the FAME market index.
- What are The Restaurant Group and total UK sales of UCO and how much is purchased by the UK biodiesel industry?  
It's difficult to say exactly due to COVID but we are forecasting in the region of 1.6m litres for 2021. All of this is sold into the UK market.

We are especially keen on any data that The Restaurant Group can provide on economic factors regarding its establishments that provide UCO. In particular, for the establishments that provide UCO:

- The location of operations.  
Our UCO comes from our estate of around 400 pubs and restaurants located throughout the UK.
- Total employment and remuneration.  
The group employed around 14,000 people at the end of 2020 but this is likely to rise as our outlets re-open and our estate grows.
- Total Revenue.

UCO revenue is forecast broadly at [REDACTED] (the forecast annual revenue has been removed) annually

- Annual exports (of UCO, if any).  
N/A

## Competition and pricing questions

We would be interested in any evidence that The Restaurant Group has on current pricing of UCO.

- What is the price per unit of UCO (for UK market too if known)?  
This is variable based on location and volumes. We currently achieve [REDACTED] p/litre (the rate of remuneration per litre of UCO collected has been removed) of UCO.
- Numerically, to what extent might price changes be passed along the supply chain? For example, if the biodiesel price changed by x% how much might the UCO price change?  
There is a definite correlation as explained above. When the market dived previously in the mid 2010s we lost as much as 42% off our UCO price which considerably impacts revenue.

## Other

If you have any other evidence about possible economic effects on the supply chain or UK economy if the existing measures on biodiesel imports from the US were no longer applied, we welcome it.