

Mitchells & Butlers plc Modern Slavery Statement 2020-2021

Foreword

Since 1898, Mitchells & Butlers plc ("Mitchells & Butlers", "M&B", "we" or "us") has been welcoming the British public into its iconic pubs and restaurants. 82% of the UK population lives within five miles of one of our sites, helping us achieve our purpose of bringing communities together by hosting life's most memorable moments.

The past year has brought home how important our people and communities are, which is something we have remained firm on across our operations. Despite the challenges of Covid-19 we have continued to prioritise the well-being and safety of those working across our business – by supporting the prevention of human trafficking across our operations and supply chains.

We are committed to acting ethically and with integrity in all our business dealings and relationships, implementing and enforcing effective systems and controls to ensure, as far as we are able, that modern slavery is not occurring anywhere in our own businesses.

In pursuit of this goal, we are proud to have continued our work with [STOP THE TRAFFIK](#) – a Non Governmental Organisation aimed at disrupting modern slavery and human trafficking (**MSHT**) around the world. They have worked with us as a critical friend, to drive best practice, reviewed and prepared a risk map in respect of our supply chains and enhance our reporting procedures. Through this Modern Slavery Statement, we are delighted to share the progress we have made with them in the fight against human trafficking and modern slavery.

Mitchells & Butlers plc has a zero-tolerance approach to any form of mistreatment of people and is committed to conduct its business in such a way that human rights are respected and protected. For this reason, M&B fully supports the provisions set out in the Modern Slavery Act 2015.

This statement has been published in accordance with Section 54 of the Act, covering the period from September 2021 – September 2022, and has been approved by the Board of M&B. This statement, and the policies and procedures referred to in it, apply to M&B and all subsidiary businesses.



September 2021



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1. Organisation structure and supply chains

1.1 Business structure and ethos

Our strong portfolio of brands and formats includes the Harvester, Toby Carvery, All Bar One, Miller & Carter, Premium Country Pubs, Sizzling Pubs, Stonehouse, Vintage Inns, Browns, Castle, Nicholson's, O'Neill's and Ember Inns. In addition, we operate Innkeeper's Collection in the UK and Alex restaurants and bars in Germany. Our 15 brands and formats are operated across over 1,660 sites and we employ approximately 40,000 employees.

As a public-facing business, serving food and drink to millions of customers on an annual basis, our brands are highly visible. We recognise the importance of maintaining a high level of corporate social responsibility, which is critical to our values. Through this statement we hope to demonstrate our efforts to prevent modern slavery and to promote human rights across all of our operations.



1.2 Supplier relationships and accountability

For 123 years, our success has been built on long-term relationships with trusted suppliers through our central procurement function and brand teams. Our goods and services are provided by over 1,700 suppliers, most of whom operate in the United Kingdom; however, a small number operate from countries across the globe, including Europe, North America, Asia, Africa, South America and Australasia. As a hospitality business, the majority of our suppliers are in the food and beverage industry. However, some provide goods and services such as building maintenance, furniture and fittings, technology services or warehousing and logistics.

Our supplier agreements set out high expectations and standards regarding the promotion of human rights and the prevention of modern slavery. Where necessary, we use our expertise to help our suppliers improve and achieve the high standards we set out. Our compliance programme also ensures our supply chain complies with our values. This consists of:

- *Supplier Modern Slavery Code of Conduct*
- *Supplier Certification & Procurement:*

- (i) M&B requests that all current and new suppliers certify their compliance with the M&B Supplier Code of Conduct. (ii) M&B considers each supplier's conduct against the M&B Supplier Code of Conduct and the fundamental principles contained within it when awarding new business with suppliers.

Our commitment to good practice is reflected in our annual suppliers' conferences, which are used as a means to communicate our ways of working, as well as re-iterating our expected code of conduct. We look forward to re-starting these conferences in Spring 2022 where we plan to invite all of our goods and beverage suppliers, as well as our suppliers in construction and consumables.

1.3 Supply chain risk mapping and risk mitigation

Given the number of establishments we run and the nature of our business, M&B recognises that its supply chain is complex, and is therefore at risk of modern slavery. To better understand our supply chains and manage our risk, M&B asked STOP THE TRAFFIK to conduct an *inherent* and *actual* risk mapping of our supply chains. This process has provided us with an effective tool for understanding the human rights risk within our operations, targeting, and prioritising mitigation activities, and ensuring transparent external reporting.



i. Inherent Supply Chain Risk Mapping

STOP THE TRAFFIK's inherent-risk mapping methodology ranks all suppliers by their country of operation and their industrial sector. Suppliers are ranked on a scale of 1 to 5, with 1 indicating low risk and 5 indicating high risk. The ranking system is determined by assessing the potential impact across several human rights issues, determined through 22 open-source datasets.

The risk mapping revealed that 92.5% of M&B's high-risk procurement spend is concentrated in 5 sectors:

- Production of meat and meat products;
- Other high-risk food manufacturing (e.g. fish);
- Facilities services (e.g. cleaning);
- Construction and refurbishment; and
- Warehousing and logistics.

Country Risk 5					
Country Risk 4					
Country Risk 3					
Country Risk 2					
Country Risk 1					
	Sector Risk 1	Sector Risk 2	Sector Risk 3	Sector Risk 4	Sector Risk 5

Figure 1: STOP THE TRAFFIK's Risk Mapping Methodology

The sectors identified are inherently susceptible to higher risk than others as they often rely on low-skilled labour and seasonal labour – increasing the risk of MSHT. For this reason, increased due diligence and risk mitigation around these sectors is vital to having a preventative stance towards MSHT.



Figure2: M&B's tier 1 supply chain y

Notably, our Tier 1 suppliers are located in countries which, are in relatively low risk geographies, given that most of our supply chain is based in the UK and Europe (please see figure 2 which illustrates our distribution of tier 1 suppliers). With this in mind, we have planned to prioritise risk mitigation predominantly by sector, to concentrate our efforts where they will have the most impact. Overall, the findings of this risk mapping have enabled us to prioritise and target our mitigation and supplier engagement.

ii. Actual Risk Mapping

Within the next few months STOP THE TRAFFIK will complete the second stage of their risk assessment process. This will undertake a detailed assessment of the *actual* risk associated with a large proportion of our suppliers identified in these sectors. This will include understanding how these suppliers address risk within their operations and how we can work collaboratively on corrective actions plans where unethical working practices have been identified.

It is anticipated that a detailed assessment of approximately 100 suppliers, ranked with a high inherent risk, will be undertaken. This list of suppliers will include a mixture of those ranked as high-risk and medium-risk suppliers through the inherent-risk mapping project. From here, we will target our mitigation and due diligence efforts specifically to optimise the effectiveness of such measures.

2. Policies in relation to slavery and human trafficking

As one of the UK's largest retail employers, M&B is committed to the well-being and inclusivity of our employees. To create an environment resilient to human trafficking, we abide by the following policies, that operate to protect and empower those across our business.

2.1 Modern slavery & human trafficking policy

Our Modern Slavery & Human Trafficking (**MSHT**) Policy, combined with our Supplier Code of Conduct cover the following expectations and procedures:

- Due diligence processes for identification of slavery and human trafficking
- Supply chain accountability
- Company accountability
- Ethical and socially responsible conduct in the work place
- Training and information on MSHT
- Key performance indicators (**KPIs**) to measure the effectiveness of MSHT mitigation
- Record keeping and actions taken to strengthen supply chain due diligence
- Auditing and verification

M&B will also seek to review the M&B Supplier Code of Conduct and M&B Modern Slavery & Human Trafficking Policy each year, and any updates will be notified accordingly to relevant employees and suppliers.

2.2 Additional policies

In addition to specific MSHT policies, we have other procedures in place to ensure staff are protected and human rights are promoted. These policies and processes include:

Right to Work Policy: M&B seeks to comply with all employment legislation (including conducting appropriate right to work checks prior to employment and to ensure all employees are fully entitled to work in the UK).

Whistleblowing Policy: If employees are concerned about someone's behaviour or how business is being conducted, they can call our confidential and anonymous whistle-blowing line. M&B has a rigorous system in place to protect whistle blowers.

Employee Policy: Included in our Employee Policy is our commitment to diversity and inclusion, providing equal opportunities for all our employees and to ensure that every employee, without exception, is treated equally and fairly.

Sourcing Policy: Our Sourcing Policy has been developed to ensure that the procurement of all meat, poultry and finfish used within our business is carried out in accordance with the company's ethical standards that operate across all our brands.

Environmental Policy: As part of M&B's commitment to achieve our sustainability goals and reduce greenhouse gas emissions, we have co-founded, with fellow hospitality groups, the [Zero Carbon Forum](#), to help members achieve their carbon reduction targets.

2.3 Policy Review

With the understanding that a business is only as resilient as its policies, we have conducted a policy review with STOP THE TRAFFIK in the last financial year. The purpose of this review was to examine our internal and external policies and ensure they are sufficient to combat instances of modern slavery across our supply chains. Our intention is to benchmark ourselves against corporate social responsibility leaders, such that we might achieve best practice policies in our own endeavours. The review will be complete during the next reporting year with action points for us to consider and implement.

3. Due diligence processes

3.1. Updated reporting procedure

Last financial year, we reviewed our due diligence systems with STOP THE TRAFFIK to identify and assess potential risk areas in our supply chains, with the aim of mitigating the risk of slavery and human trafficking occurring in them. The review suggested improvements in our internal reporting system.

Since then, we have been working hard to integrate MSHT considerations into our internal incident reporting system – streamlining our responses and appropriate actions to suspected

incidents. We are proud to have committed to a 24-hour response time to any reported incidents, to ensure potential MSHT incidents are dealt with quickly and carefully.

3.2. Supplier self-assessments

We believe wholeheartedly that it is best to work in collaboration with our suppliers to drive improvement. Therefore, we maintain trusted relationships with all our suppliers, to foster a strong foundation and promote transparency.

We are currently working to implement a new supply chain due diligence process, by implementing a mandatory self-assessment for all our suppliers. This process will be introduced in the upcoming months following our *actual* supply chain risk-mapping project. The self-assessments will add yet another way that we can work with our suppliers to understand their own mitigation strategies and how M&B might help them grow and improve.

4. Training on modern slavery and trafficking

To manage and mitigate incidents of modern slavery effectively, a company must have a culture of awareness surrounding labour exploitation and the trafficking of persons. In this knowledge, we are deeply committed to ensuring our staff are vigilant regarding human rights and the prevention of MSHT.

Our ongoing programme of training, which has a completion date in 2022, includes the following activities with the intention of increasing MSHT awareness and reporting among all staff.

- A bespoke training session by STOP THE TRAFFIK, delivered to our Human Resources, Procurement and Safety Teams. The session will include how to spot the signs of modern slavery, specific to our sectors of concern, as well as information on reporting procedures if a suspicion arises.
- The M&B Supplier Code of Conduct and M&B Modern Slavery & Human Trafficking Policy will be circulated to all heads of departments.
- All relevant employees dealing with suppliers will be required to familiarise themselves with the M&B Supplier Code of Conduct.
- A copy of the M&B Modern Slavery & Human Trafficking Policy will be available to employees.

In the future, we hope to carry out more training programmes, to ensure our work force is as informed as possible on the issues of MSHT and human rights.

5. Key performance indicators to measure effectiveness of steps being taken

M&B recognises the value of tracking its performance and progress on the effectiveness of its approach to MSHT. As such, we have developed KPIs, in line with UK Government guidance, to track and report against in next year's Modern Slavery Statement. They include:

- The amount of training provided to relevant duty managers and staff,
- Percentage of Tier 1 suppliers that have been risk mapped,
- Percentage of Tier 1 suppliers who have undergone an audit,
- Percentage of suppliers who have attended awareness raising training,

- Percentage of procurement team members who have completed supply-chain specific modern slavery training,
- Average self-reported confidence of duty managers in understanding modern slavery, knowing the signs, and ability to appropriately respond.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015.