

Social Responsibility Review 2011



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Introduction

For Mitchells & Butlers social responsibility means many things: providing our customers with quality, tasty food; making a positive difference to the communities in which we trade; the retailing of alcohol responsibly; investing in our employees training and career development; understanding our environmental impact.

As a leading restaurant and pub operator, we are committed to driving and maintaining best practice to ensure we run our business in an ethical and sustainable way. Our aim is to deliver great service to our guests while continuing to grow the business with responsible retailing at its heart.

To this end we have set out clear social responsibility goals which complement our own business priorities and challenge us to generate a positive impact on our wider stakeholders, as well as our guests. These goals incorporate a number of key topics including calorie labelling, disclosing allergen information, increasing our recycling commitments and building a better understanding of alcohol unit information via our drinks menus.

This social responsibility review outlines the progress we have made over the last twelve months and our plans for 2012.

Alcohol

Responsible service

We have an inherent duty under our alcohol licences to ensure the responsible operation of our premises for our guests, employees and the wider community. Alongside this we continue to emphasise the pub's key role in providing a safe, regulated and controlled environment for the sale and consumption of alcohol.

Our longstanding Alcohol and Social Responsibility Policy incorporates strict controls over the responsible pricing and promotion of alcohol, as well as robust staff training practices.

Through the rigorous implementation of our Challenge 21 scheme, we continue to commit to our staff delivering responsible service across our estate. Last year over 675,000 customers were refused service for failing to prove they were over 18 and over 229,000 were refused service as they were deemed to be intoxicated. In addition, to reflect the changes in Scottish law, we now have our Challenge 25 programme in place across our Scottish businesses.

Over 40 of our restaurants and pubs across the UK entered and won a 'Best Bar None Award' for upholding the highest standards of safety and security

We are a major funder of the Drinkaware Trust and will continue to support the Trust's work to reduce alcohol misuse and promote responsible drinking

The Public Health Responsibility Deal

We have been closely engaged with the Government's Public Health Responsibility Deal, taking part in both the alcohol and food network groups to develop a series of pledges for action across the industry to improve public health. We have signed up to a number of alcohol related pledges, including providing clear unit labelling on our drinks menus together with support of alcohol awareness

campaigns and taking part in the Challenge 21 scheme.

As a Company we are keen to play our part in working with Government and industry to improve on public health issues and understand that this includes ensuring consumers have the information they need to make informed choices when eating and drinking in our businesses.

Over 1,400 of our businesses now include unit information on drinks menus

To view our full alcohol and social responsibility policy visit:
www.mbplc.com/responsibility/servingalcohol/





Food

As a responsible food retailer we offer our guests healthy, safe, fresh and tasty food.

Choice and information

Attitudes towards food and eating out are changing. Increasingly our guests want to know more about the food they eat.

We want our guests to make an informed choice and therefore detailed nutritional information about food is becoming a welcome addition to the menu when dining in one of our restaurants or pubs.

We already provide calorie information on our Harvester, Toby

Carvery, Crown Carveries and Sizzling Pubs websites and are continuing to work towards providing the same level of information within all our brands by the end of the 2012.

In March 2011, Harvester took a further step and became the first national restaurant brand to print dish by dish calorie information on its menus. The Salad & Grill menu provides choice and flexibility for customers. The menu has over

1,500 combinations available, allowing customers to choose a meal appropriate to their taste, eating-out occasion or personal calorie preference. Harvester guests now have three clear ways to access calorie information; online, via a smart phone or on menus in restaurants.

Menu development

Our chefs work closely with our food suppliers to develop our menus, particularly focusing on reducing the salt content of dishes without compromising taste, and developing healthier options to provide guests with greater choice. This year we appointed a dedicated Company nutritionist to oversee this development, accelerating our food responsibility programme both internally and across our supplier base.

As a leading player in the food industry, we identified a number of important target areas which we are focusing on as a matter of priority in

the next 12 months, including: the increased provision of nutritional information to guests; developing and signposting healthier options; reducing saturated fat in our dishes; developing a salt reduction programme - focusing on products that contribute the most salt across our product range; designing nutritionally balanced young guest menus; and providing customers with allergen guidance.

Our food development and trading teams will work alongside our brands and suppliers to progress these priorities over the coming months.



Food allergies and intolerances

Awareness of food allergies and intolerances is also increasing and there is greater demand for better information to be made available to guests with special dietary requirements. In light of this growing trend and the proposed EU Regulation on the Provision of Food Information to Consumers, we are aiming to meet all of these challenges head on to actively become more accessible to customers following special diets.

We have provided comprehensive allergen guides for our Harvester, Crown Carvery and Toby Carvery



menus for four years now which have been popular and well received. Building on this success, similar guides will be available from the end of 2011 in a further 12 of our restaurant brand. In addition to the more usual intolerances to gluten, nuts and lactose our guidance will also include the declaration of the potential presence of all 14 legally defined food allergens, well ahead of the proposed 2015 EU Regulation deadline.

In early 2012, we will be implementing a rigorous training programme for our chefs and front of house employees to help them communicate clearly to guests about any allergens our dishes may contain, manage the risks of cross contamination and help our guests make informed decisions about which foods are safe for them to eat.

We will also continue to work closely with our supply base to remove unnecessary allergens from dishes wherever possible, without compromising taste and so ultimately increase the universal appeal of our menus.

Additives

From January 2012 all of our menus will be free from the artificial colours associated with adverse behaviour effects in children, known as 'Southampton Six'. Our work on artificial additives will continue including the removal of artificial colours such as ammonia caramel (E150d) and the benzoate group of preservatives.

Trans-fats

Together with our suppliers, we have been working hard to remove hydrogenated vegetable oils from our products, and thereby all artificial trans-fats (which are a by-product of the hydrogenation of oils) over the last few years. All our frying oils and dishes are now free from artificial trans-fats, meaning we have consequently signed up to the Public Health Responsibility Deal associated pledge on the removal of artificial trans-fats.

Young Guest menus

Of particular importance to us are our young guest menus. We have specially developed child friendly menus within our three most family oriented brands to encourage children to eat more vegetables and provide a wide choice of dishes containing a variety of food groups that children will love and parents can trust.

The menus employ a cast of children's characters to help promote fun, learning and the importance of a balanced diet to our young guests.

We will continue to actively develop our young guest menus in 2012, to ensure appropriate nutrition and portion size is achieved, and dishes are aligned with the most recent dietary guidelines for children.



Toby Carvery...

launched their new children's offer with support from their own vegetable family, The Tobys. There are activity sheets in-house and an interactive funzone on the Toby website.

Toby Carvery also run a series of chef schools which give primary school children an educational, behind the scenes look at the restaurant. The children enjoy a fun fact-finding session on fruit and vegetables which includes, a carving demonstration; information on fruit & vegetables; and eating five-a-day

Sizzling Pubs'...

cast of Zs are a cute bunch of likeable (and often mischievous) characters. The brand ran an in-house competition asking kids to design a new Z with guests voting for their favourite on Facebook. Sizzling's children's menu for the under 10s has some great dishes for smaller appetites and the brand has teamed up with leading child nutrition expert Annabel Karmel to offer some of her recommended dishes which do not contain any added salt, artificial colours or flavours.



Harvester Salad & Grill...

has launched a new children's menu aimed at raising awareness about the government's five-a-day target. Leading the campaign is Harvester's new character, Harvey the Rabbit who highlights the more healthy options on his menu. This specially designed section provides children with a three course menu to choose from to ensure they receive their full five portions in one sitting.

The new Young Guest menu is just part of Harvester's commitment to communicating the benefits of fresh fruit and vegetables and the importance of a balanced diet to children. Previously, Harvester created two school packs for teachers at Key Stage 1 and Key Stage 2, which included lesson plans and fun games for children. In addition, they've run a series of school visits which have seen over 80 classes visit their local Harvester to find out more about healthy eating.

Confidence in our food

When a guest chooses to eat in one of our restaurants or pubs, they are placing faith in us. They trust us to ensure that our kitchens are clean, our employees are properly trained and legally compliant, our suppliers have been vetted and that we take our environmental and social



responsibilities seriously. We have rigorous checks and policies in place to ensure that we do just that.

For example, all of our suppliers meet strict EU guidelines for animal welfare. We also consult regularly with government and local authorities to ensure we are up to date, or in some cases ahead, of legislation.

We are continuously looking to improve on these processes and carry out independent food hygiene audits in every business regularly throughout the year to make sure everything is in order.

We serve around 125 million meals each year

We make more than 5,000 individual recipe changes a year, of which over 35% are completely new dishes

We study online feedback from over a million guest satisfaction surveys completed every year

To information on our food responsibility initiatives visit:
www.mbplc.com/responsibility/goodfood/





Employees

A great place to work

We created 2,000 jobs from our new openings last year, and plan to create a further 3,000 jobs in 2012.

Mitchells & Butlers employs around 40,000 people making us one of the largest employers in the UK. Great news for those who want to build a career with a successful Company and the opportunities truly are endless.

We want to employ people who are focused and passionate about our business so that we can maintain our market-leading position and meet our customers' expectations. The nature

of our industry means we can employ those with few or no qualifications but who demonstrate the required aptitude and willingness to learn new skills. Indeed, many of our restaurant and pub managers have worked their way up the career ladder by taking advantage of our comprehensive training and development programmes and are now responsible for running £1 million+ turnover businesses.

Training and development

National Vocational Qualifications

Nearly 700 employees completed a National Vocational Qualification (NVQ) last year. All training and assessment is carried out by Vocational Coaches within the business. This means there is no need for employees to spend time away from their business in a classroom or college. Vocational Coaches visit on a regular basis to observe candidates working, assess their skills and offer guidance and advice.

eLearning

We have launched electronic leisure, cash tax and stock, managing health and safety, managing security and four quarterly legal refresher training eLearning modules. We also launched our online induction programme for all of our retail team members. During the last year over 222,360 eLearning courses have been passed across the company.

Apprenticeships

Apprenticeships and Advanced Apprenticeships take about 6-12 months to complete, over which time employees gain a nationally recognised qualification at NVQ Level

2/3, relevant key skills and a technical certificate where appropriate. We currently have 1,200 employees on an apprenticeship programme.

Some examples of available Apprenticeship qualifications are:

- Professional Cookery, Food Processing and Cooking
- Food & Drink Service and Housekeeping
- Multi-Skilled Hospitality and Team Leading
- Hospitality Supervision.

Retail Support Centre learning and development

We are in the process of evolving our learning and development offer for all of our Retail Support Centre employees. The new learning and development curriculum will be available in February 2012 and will focus on skills training including coaching, managing performance, leadership and talent development. We will also be focusing on the development of our people in relation to new Company competencies.



We have 1,200 employees on an apprenticeship programme

We employ 16,000 16 to 24 year olds



Career Pathway

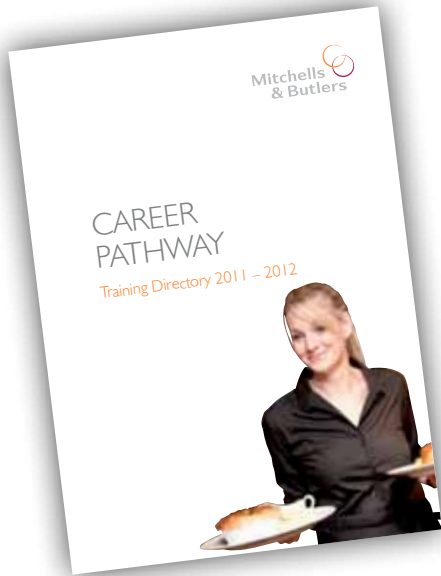
We've launched our first-ever stand-alone recruitment site for job seekers, with a menu of exciting career opportunities and award winning training at every level. Log on to www.mbcareersandjobs.com

We want to provide our employees with great training that ensures they'll be proficient in the job they do. However, we also want to offer training to employees who decide to grow their career with us. Three years ago we launched the Career Pathway to our retail team members to highlight what training is available.

This is made up of a number of programmes that aim to develop employees' skills, knowledge and behaviours over time. The aim is to

give our employees the skills to run a pub, a kitchen or even to become the next Retail Business Manager.

We have recently updated and evolved the Retail Career Pathway for all of our retail teams. We have designed the framework to ensure simplicity and consistency with a focus on food. The pathway includes links to apprenticeship frameworks, Institute of Leadership and Management endorsed programmes and guest focussed service training.



CAREER PATHWAY						
Log on to OurHub and read the Career Pathway Training Directory for the detailed information about your development opportunities						
Team Member	Team Leader 1	Team Leader 2	Kitchen Team Leader or Sous Chef	Assistant or Deputy Manager	Kitchen Manager or Head Chef	Manager
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Communications with our employees



We communicate with our employees on a frequent basis and in a number of ways to suit their different working patterns. These include:

- ourhub.com and What's Cooking? are both excellent examples of how we inform retail team members about policies, benefits and our strategic progress
- The annual Mitchells & Butlers Business Forum provides our 40,000 retail and support team members the opportunity to put their questions to our senior management team

- Members of the Executive Committee continue to host Discussion Groups with support team members on a regular basis; attendees exchange ideas and views on ways of working
- Last year, we launched our brand new What's The Big Idea initiative, right across Mitchells & Butlers. All employees are invited to email their ideas for saving money and generating sales and profit - be it food and drink or energy consumption - for a chance to win all or part of a £10,000 prize fund.



Employee survey

Over 32,000 retail and support centre employees had their say as part of this year's employee engagement survey. This feedback means we have a robust amount of data that we can use to really explore and understand what our employees, our brands and the Company are doing well - and where we can improve.

The survey highlighted more employees are satisfied with their role in Mitchells & Butlers than last year. In businesses with high engagement scores, team member turnover and absenteeism is lower, and productivity and guest satisfaction is higher. This demonstrates that a satisfied team is more productive and delivers great guest experiences. Guest loyalty drives sales and profit which, in turn, gives us the capital we need to invest in training and development, to market our brands, to maintain our existing businesses and to open new sites. In other words, the more we work on engaging with our employees, the more successful Mitchells & Butlers is.

As a result of 2011 survey our employees told us that the following issues are important:

- Extra support for training and development

- More regular and constructive feedback from their line manager
- Recommending their business to family and friends as a good place to visit

In response to this we're already taking or have taken the following actions:

- We have revised the Career Pathway to make it easier to identify the training that's available and to increase focus on improving the guest experience.
- Managers should already be giving their teams regular feedback - but to ensure that everyone receives consistent and regular feedback, we will be launching a new appraisal process next year which every person in the Company will be part of
- Managers now receive a monthly report which consolidates guest feedback and highlights any areas requiring focus. Additionally, managers can print off weekly reports, plus a daily report that shows comments from the previous day.

- We are working on revised Company competencies to make it clear how to develop within the company. We will develop new training packages aligned to these competencies for Retail Support Centre employees.

- We've also launched our new 'Dine With Us' discount scheme to encourage our employees to bring friends and family to our businesses.

For more information on our training and development visit www.mbplc.com/careers/

Working with local communities

The heart of the community



Mitchells & Butlers
in the **Heart** of the
Community

Culturally our restaurants and pubs are the driving force behind many communities across the UK and so we actively encourage our managers to get involved in their local area and become the heart of these communities.

Our annual Heart of the Community awards once again showcased the great efforts our employees and guests make in raising money for charity and

doing good within their communities. Our national winner of the title 'Heart of the Community Pub of the Year', the Chaddlewood, Plymouth, has worked tirelessly over the last year to benefit a number of charities, hosting fundraising evenings, establishing a pub library and identifying with local and national causes.

National charities benefit from local activities

Crown Carveries donated raised over £40,000 to local charities as part of their August Bank holiday fundraising challenge.

Collectively the Company, our brands and guests have donated over £260,000 this year to charity, continuing to demonstrate outstanding charitable giving. This year's highlights included:

■ Following 18 months of national and local fundraising challenges, the Sizzling Pubs team have donated over £130,000 to Help for Heroes

■ Crown Carveries donated over 6,000 free meals to past and present servicemen, as part of its support for National Armed Forces Day 2011

■ Our restaurants and pubs raised over £25,000 for the Marie Curie Great Daffodil Appeal in March

The Prince's Trust



For the first time we are also supporting The Prince's Trust and their work helping young people in the UK. Our Business Development Director, Kevin Todd, has become a member of the charity's Retail Leadership Group. This group is formed of leading companies and individuals from the UK retail sector, primarily focused on raising funds and awareness of The Prince's Trust to help reduce the number of young people who are

facing long-term unemployment and social exclusion.

In addition, Vintage Inns are supporting young people directly through The Prince's Trust 'Just the Job' work placement scheme. As part of the programme the young people must complete a two-week work placement and Vintage Inns are offering opportunities in our restaurants across the UK.

Marie Curie Cancer Care

Our three year partnership with Marie Curie Cancer Care comes to an end in December 2011. This has been a valuable partnership for both Mitchells & Butlers and the charity, raising over £180,000 during the period from a combination of corporate donations and employee fundraising. Our donation will pay for 6,000 Marie Curie nursing hours nationwide and also support the charity's Big Build Appeal for a new hospice in Solihull, West Midlands

In 2011 our employees boosted our initial £25,000 corporate donation to Marie Curie by supporting a series of fundraising challenges. This has raised

an additional £12,000 and our individual businesses raised a further £25,000 by supporting the charity's Great Daffodil Appeal in March – bringing our total donation this year to £62,000.

Arun Sharma, Head of Corporate Fundraising comments: "Marie Curie Cancer Care is proud and privileged to have been the Charity partner of Mitchells & Butlers since November 2008; working with employees and guests from such an innovative and community focused organisation has meant that we have achieved great success over the past three years together."



Olympic support

As part of looking ahead to the London 2012 Olympics, this year, Mitchells & Butlers became an official partner of England & Great Britain Hockey, with Harvester the organisation's official restaurant partner. The three year sponsorship seeks to encourage

thousands of people to start playing sport in their local clubs and to support British athletes at the London Olympics.

During the sponsorship, Mitchells & Butlers will create Hockey Houses in a number of its restaurants and pubs

for the duration of the London 2012 Olympic Games. 83% of hockey clubs do not own their own clubhouse facilities and the Hockey Houses will allow supporters across the country to come together to cheer on the Great Britain hockey teams at the Games.



For information on our Mitchells & Butlers' Olympic plans visit www.venuesaheadofthegames.com

For more information on our charity and community activities visit: www.mbplc.com/responsibility/communities/



Environmental matters

Waste and recycling progress

85% of our waste was diverted from landfill in 2011

Our business generates nearly 100,000 tonnes of waste a year and so it is essential we continue to invest in our recycling efforts. In the year, we announced we are on target to send zero waste direct to landfill by the end of 2013. Over the last five years our waste collections have transformed from general waste to specialist collections for glass, dry mixed recycling (cardboard, paper, plastics and cans) and more recently the introduction of food waste recycling collections.

The food collection service is currently in operation in around 75% of Mitchells & Butlers' locations with a

full roll out planned for later this year. The food waste is sent for processing by the means of anaerobic digestion which converts the food waste into electricity.

The effectiveness of this programme means there is little other material for Mitchells & Butlers to dispose of at landfill. This year we recycled 85% of our waste, a total of 81,000 tonnes. Our goal of sending zero waste to landfill by 2013 will have both commercial and environmental benefits now and in the future and reflects the Company's innovation in managing waste.

Waste Responsibility Deal

Our waste management team are part of the Department for Environment, Food and Rural Affairs Waste Responsibility Deal working group. The objective of this Responsibility Deal is to build on the positive progress of reducing waste in the UK and improve further the management of waste as a resource. We will continue to engage with Government and their partners WRAP (Waste & Resources Action Programme) on the impact and opportunities for the food and drink industry as part of the deal.

Reducing energy consumption

Our established energy management programme remains a key priority and we continue to focus on ensuring that energy efficiency and carbon reduction is a fundamental part of everyday business culture.

Our energy reduction process is based around a core programme of operational best practice and training standards. Alongside this our energy management team co-ordinate a series of projects to help us proactively manage our energy resources and drive down consumption levels.

This year a number of successful trial projects are being extended across our businesses including the introduction of LED lighting and automated equipment controls. We have also introduced other new innovative ideas such as drawing external ambient air through a filter into cellars to maintain the required temperature, therefore saving

significant electricity costs in running cooling equipment during warmer times of the year. Automated meter readings to better manage our water consumption are also being trialled.

Energy recovery is playing an important role too. Several businesses are now generating free hot water recovered from cellars and kitchens. Furthermore, building insulation is widely acknowledged as one of the most cost effective methods of saving energy and from our initial trials last year, we have seen a significant reduction in energy consumption levels and are therefore placing loft and pipe work insulation into a further 300 businesses.

Over the next twelve months we have around 30 energy saving projects in roll out, trial or development stages and will continue to drive our programme strategy forward.

We collected around 2596 tonnes of used cooking oil (for recycling to bio-diesel), saving over 4816 tonnes of carbon which is the equivalent of removing as many as 2000 family cars from the road every month.

For more information on our waste and energy programmes visit:
www.mbplc.com/responsibility/environmentalconcerns/



2012...

Commitments and goals for 2012

This year we have set a series of commitments and goals which will help us focus our social responsibility programme and have a direct link to our business priorities.

We will track progress on these goals over the next year and update in December 2012.

Offering our customers an informed choice

Increasing the provision of nutritional information to our guests

Salt targets

Implementing a salt reduction programme, focusing on our high salt dishes first

Introduce Allergen mini-guides

Providing more detailed allergen information to guests, making our menus more accessible to those following special diets

Healthier options on menus

Developing and signposting healthier options to our guests

Saturated fats

Reducing saturated fat in our dishes

Young Guest offers

Continuing to develop nutritionally balanced young guest menus

Ahead of the Games

Developing our GB Hockey sponsorship, creating a series of Hockey Houses across our businesses for the 2012 Games

Creating more apprenticeship opportunities

Increasing the scope of our apprenticeship programmes

Job creation

Creating over 3,000 new job roles from our 2012 opening programme

Learning and Development

Evolving our learning & development offer for all of our retail support centre employees

Responsibility retailing of alcohol

Adding unit information to all our drinks menus

Waste reduction

Remain on target to send zero waste to landfill by 2013

Mitchells & Butlers

If you have an enquiry about Mitchells & Butlers' social responsibility policies or practices then please contact:

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