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WE ARE PROUD

TO OWN AND OPERATE LEADING BRANDS THAT PEOPLE TRUST

We care deeply about safeguarding that trust and we are committed to running our business in an ethical and sustainable way.

Our most notable successes in 2012 have been the advances we have made in energy reduction - which resulted in us being re-accredited with the Carbon Trust Standard, recycling 82% of our waste and the significant level of involvement from our employees in local and national community and charity work.

There are many more excellent examples of responsible retailing highlighted in this Review.

Highlights for 2012

- Harvester wins top award at the Healthy Food Guide's Healthy Eating Awards
- Mitchells & Butlers signs up to Department of Health salt pledges
- Retail employee engagement increases by over 5%
- Mitchells & Butlers corporate and brand charity donations total over £120,000 with our pubs, employees and guests raising thousands more for great causes
- Mitchells & Butlers is re-accredited with the Carbon Trust Standard and wins two awards for energy innovation



INTRODUCTION

We're one of the leading restaurant and pub companies in the UK, with around 1,600 businesses across the country. Every year, we welcome millions of guests through our doors to enjoy something to eat and something to drink, together with family, friends and neighbours.



We love what we do and that's why people love to eat and drink with us.

OUR GUESTS

FOOD



Food accounts for 50% of our sales. We serve around 130 million meals a year and people trust us to make sure the food they eat is fresh, properly sourced and properly cooked. They want a choice of good quality, appealing dishes that include healthier options.

DRINK



People trust us to ensure that alcohol is both sold and consumed responsibly in our pubs and restaurants and that they'll be safe when they visit one of our businesses.

OUR PEOPLE

EMPLOYEES

With around 40,000 people, we are one of the UK's largest employers. We offer a great place to work, lots of opportunities for career development and recognised, structured training and support. Our employees' wellbeing and satisfaction are vital to our success.



OUR WORLD



ENVIRONMENT

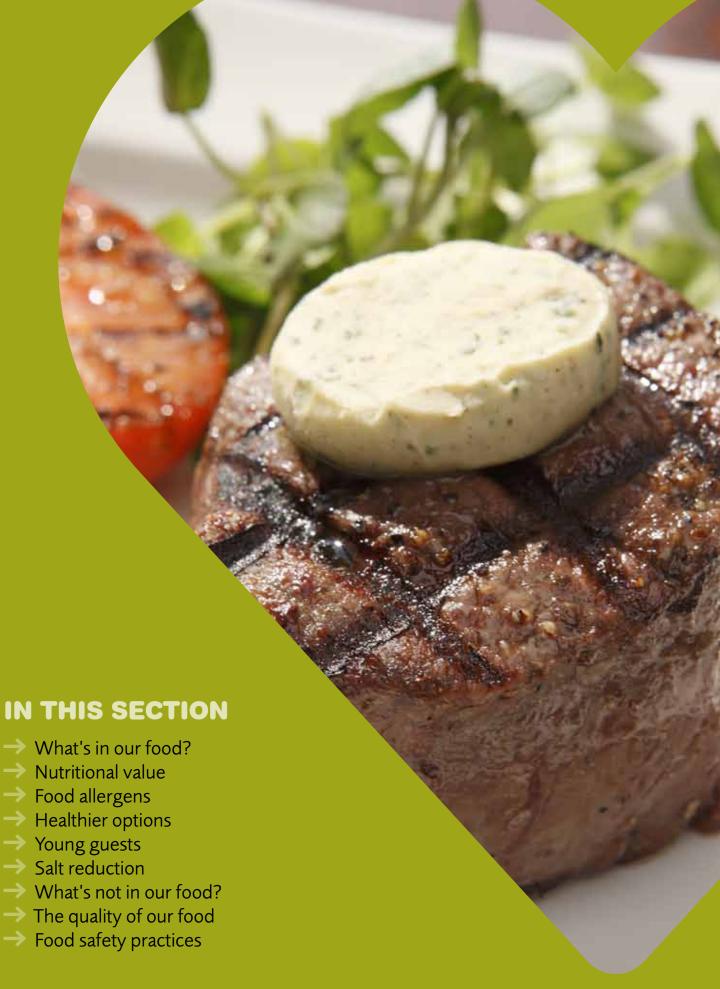
The reduction of our consumption of energy is now a fundamental part of our everyday business. Innovative methods to make our businesses more energy efficient are now being complemented by further developments in energy recovery.

COMMUNITIES

Each one of our restaurants and pubs is uniquely placed to help and promote its community. Many of our managers and their teams get involved in their local areas, contributing their time, effort and ideas to support local charities and good causes.



In the following pages, you'll find much more information about the work we're doing in all these areas.



GOOD FOOD

FOOD OUR GUESTS CAN TRUST

The Mitchells & Butlers Good Food Group meets monthly and comprises senior management from both corporate support and operations. Key decisions on everything to do with our food are made within this forum.

Each year, we welcome millions of guests into our restaurants, bars and pubs, serving them around 130 million meals, making us the largest on-trade caterer in the UK.

Our commitment to providing our guests with the best value for money food we can is embedded within the Company – from the senior management responsible for sourcing and buying our food through to the chef responsible for preparing and cooking it to perfection.



We want to make sure that our guests, whatever the occasion, can choose a dish that's right for them – regardless of whether they're young or old, would like a treat or want a lighter option.

More and more, our guests want to know about the food they eat, to be able to make an informed choice about their meal. They trust us to help them and we do this in two ways – by being clear about what IS in our food and what is NOT in our food.

What IS in our food?

As part of our commitment to providing nutritional and allergen information for our guests, Mitchells & Butlers has appointed an in-house nutritionist. Their role is to ensure we provide our guests with as much information as we can about what is in our food. This information is published for our biggest brands on their websites and, increasingly, via smart phone apps, to make it as easy as possible for those who are interested to find out more.





Nutritional value

For almost two years now, Harvester has published nutritional value information for each dish on its menus.

For example, details of the full nutritional value of each dish (i.e. its calorie content; the levels of fat, saturated fat, sugar, and salt; and the proportions of protein and carbohydrate) are already available on our Harvester, Toby Carvery, and Crown Carveries websites.

Our guests tell us that this information is helpful and so we are providing much more. This year, we have worked closely with our suppliers and, by Spring 2013, we will have assessed the full nutritional value of each dish on every menu across all our brands. We will then publish the details for our guests, helping them to make an informed choice about what they want to eat and to identify the healthier option more easily.

Food allergens

We're aware that some of our guests are allergic to certain foods, or suffer from food intolerances that can make going out to eat awkward or difficult.

Every guest is important to us and we are working hard to make sure that anyone following a special diet has the information they need to feel confident about the suitability and safety of our food for them.

The work we're doing now on providing full disclosure of food allergens to our guests means we

will be well ahead of the forthcoming EU Food Information Regulation for Consumers.

This year, our chefs have undergone specific training on managing the potential risks of cross-contamination of allergens in the kitchens, led by our Food Development Managers and our Kitchen Training Managers. This summer, an e-learning module was launched with an all-encompassing training toolkit on food allergens.

14 food allergens cause 90% of adverse reactions. By next year, information on each of these 14 allergens, for every menu item, will be available for our guests at the point of decision.

In response to requests from our guests, we already provide details of dishes containing gluten and lactose in each of our brands. In 2013, we're taking this much further.

Our regular food safety and hygiene audits, carried out in all our restaurants and pubs, will shortly include allergen management as part of the stringent checks.



Healthier options

We're proud of the range and quality of the food we serve our guests, with many of our brands offering daily or weekly specials to complement the popular dishes already on their menus.

However, we're fully aware that many of our guests would like to choose a healthier, lighter dish when going out to eat and that it is our responsibility to help them do so. In our view, it's not just about reducing the calories of a dish but its fat and salt content too.

Our comprehensive approach to providing a variety of healthier options has clearly defined criteria for controlling the levels of fat and salt, as well as a reduction in calories and the inclusion of a portion of fruit or vegetables.

Our young guests

We welcome families into many of our restaurants and pubs and recognise we need to cater for our young guests' particular requirements, providing them with a range of dishes that they will love to eat and that their parents trust.

Our family-friendly brands such as Harvester and Sizzling Pubs offer specific menus for children, while Toby Carvery and Crown Carveries offer a small carvery just for kids.

We are working on the establishment of Company-wide Young Guest Food and Nutrition Standards. Our aim is that all our Young Guest dishes will comply with the Standards, which set out controlled levels of salt, sugar, fat and saturated fat.



Salt

We have signed up to two of the existing salt pledges for caterers, as part of the Department of Health's Public Health and Responsibility Deal. This means that, over time, we have committed:

- To helping our guests reduce their dietary salt intake by reducing the amount of salt we use in our kitchens
- To working with our suppliers to reduce the salt in the products we buy, targeting first those products where salt levels are highest

We do not use potassium chloride as a substitute for salt in any of our food. Instead, we are looking at natural lower salt alternatives.

For example, we will provide our chefs with specific salt quantities and the right equipment to control and minimise salt dosage in the kitchen.

Through a combination of new initiatives, specific training and a number of trials, we aim to boost the benefit of reduced salt intake to our guests' health BUT will also ensure there is no compromise on taste, quality or food safety.

Led again by our Food Development Managers and our Kitchen Managers, we have now established 'Salt Champions' in each brand, helping to communicate the importance of our salt reduction programme across the Company.



What is NOT in our food?



ADDITIVES

We have eliminated from our food such additives as the 'Southampton Six', a series of six artificial food colourants, which were shown to affect adversely the activity and attention of children. We don't buy any products that contain any of the 'Southampton Six' colours.

We do not buy any products containing the benzoate group of preservatives and we are in the process of eliminating these from all our food.

GMOs

We don't serve any food that consists of genetically modified organisms (GMOs) or contains any ingredients produced from GMOs.

TRANS-FATS

Our food is also free of all artificial trans-fats (Hydrogenated Vegetable Oils) which have been linked with raised cholesterol levels and heart disease. This fulfils our pledge to meet the Government's requirements on the elimination of trans-fat products.

The quality of our food



As the largest on-trade caterer in the country, the quality of our food is of paramount importance. Our guests trust us to serve them food of the best possible quality for the best possible value for money.

This doesn't just mean that they know their food is properly and safely prepared and cooked; they also trust us to source the food sustainably and ethically, with due regard for high standards of workers and animal welfare.

Our primary suppliers (i.e. our food producers) meet the strict GlobalGap standard, principally designed to reassure consumers about how food is produced on the farm by minimising detrimental environmental impacts of farming operations, reducing the use of chemical inputs and ensuring a responsible approach to worker health and safety as well as animal welfare.

We have established a website which provides detailed technical guides for our product requirements, our policies and other reference material – www.mabsuppliers.co.uk

We work closely with our suppliers to ensure that they know what we need and can help us turn new ideas into future growth.

We insist that our suppliers also have clearly-defined policies that set out their environmental and business sustainability responsibilities, with the like-minded aim of seeking continuous improvement. This is a condition of becoming a supplier to Mitchells & Butlers.

Food safety

We want to ensure that all of our restaurants and pubs are safe places for our guests to eat, drink and relax, and for our employees to work.

All our teams are extensively trained in the safe storage, handling and preparation of food as well as good kitchen hygiene.

We carry out regular independent food safety and hygiene audits across all our restaurants and pubs every year and the results of these audits comprise a direct element of our teams' performance pay and reward.

Preparing and serving food to the highest possible quality and safety standards is critical to our business. We support the new Food Hygiene Rating Scheme and the reassurance it provides for our guests. The vast majority of our businesses who are on the scheme are achieving a high rating score of 4 or 5 stars. We are improving standards in any lower rating businesses and have set a Companywide target of achieving a minimum 4 star rating in each of our restaurants and pubs.



CASE STUDY





Harvester

- Harvester restaurants gave away hundreds of packets of lettuce seeds to children who visited their restaurants in April 2012. The Salad Challenge encourages children to grow their own lettuce to raise awareness about the importance of healthy eating. Harvester's Young Guest menu offers children a special section featuring a three-course menu that ensures they receive their full five portions in one sitting, as well as unlimited trips to the Salad Bar
- In September, Harvester was highlighted by the Sun newspaper as being one of the best eateries on the high street to enjoy a healthy lunch. The brand was commended as the 'Best for Salad' and for being the forerunner in providing calorie information to Guests on the menu.
- The brand also won a top award at the Healthy Food Guide's Healthy Eating Awards, scooping the top prize in the Budget eating category, with its salad cart offer and calorie information on menus both commended. Harvester leads the way in providing calorie information to its guests, being the first UK-wide restaurant brand to provide this information on its menus from March 2011.









SERVING ALCOHOL RESPONSIBLY

Mitchells & Butlers is committed to operating all of its licensed premises responsibly, safely and within the law and to work closely and constructively with the authorities. The Company does not operate any 24 hour licences.

Our Alcohol & Social Responsibility Policy has now been in place for twelve years, which lays down best practice about serving alcohol responsibly.

We are closely engaged with the Government's Public Health Responsibility Deal and have signed up to five alcohol pledges, including providing clear unit labelling on our drinks menus, supporting alcohol awareness campaigns and taking part in the Challenge 21 scheme.



Promoting responsible drinking

We understand we have a duty to ensure the responsible operation of all our businesses for our guests, employees and the wider community, which includes ensuring consumers, have the information they need to make informed choices when eating and drinking in our businesses. We support initiatives to build our guests' knowledge about what they are drinking and also support anti-drink drive initiatives. As a result, the majority of our businesses now include unit information on drinks menus and a range of soft drinks are always available.

CHAM CHAM

Mercier Champagne & Chambord

Black Raspberry Liqueur

DISARONNO

UNITS OF ALCOHOL

Please note ABV's may vary by year

125/4 125/6 13/4 13.5/6 14/8 1.8

125ml 1.5 1.6 1.8 1.7 1.8 1.8

125ml 2.1 2.2 2.3 2.4 2.5 2.5

175ml 2.1 2.2 2.3 2.4 3.5 3.6

250ml 3.0 3.1 3.3 3.4 3.5 3.6

Bottle 9.0 9.4 9.8 10.1 10.5 10.9

drinkaware.co.uk

PITCHERS

COMETHING TO SHARE

drinkaware.co.uk

Unit awareness

We are working with Drinkaware to help increase guest understanding of unit information in our restaurants and pubs. Currently, 1,400 of our restaurants and pubs have unit information printed on drinks menus. Mitchells & Butlers is an active member and funder of the Drinkaware charity and supports their various unit awareness campaigns.

As part of our comprehensive training programme our employees have access to unit information for our most popular products so they are able to pass on information to guests if asked.

Are you

217

It's my job to ask you for ID

Prevention of underage drinking

We operate a Challenge 21 policy within all our businesses in England and Wales. If a guest appears to be under 21 then we require proof that they are over 18 before alcohol will be sold. In addition, to reflect the changes in Scottish law, we have our Challenge 25 programme in place across our Scottish businesses.

Although the law allows the serving of certain types of alcohol to people aged 16 or 17, when purchased by

an adult in specific circumstances, Mitchells & Butlers' policy is that we will not serve alcohol to anyone under 18. This is in order to ensure that we are doing all we can to prevent underage drinking and uphold our licensing responsibilities.

In 2012, our employees refused to serve 562,919 people who could not provide valid proof of age when challenged.



Investment in training

Each front of house employee receives a comprehensive programme of training. This includes education on the legal requirements of their role, including their responsibility not to serve under 18s and those who are intoxicated. Our employees must also complete licensing refresher training twice a year.

Last year, 1,858 employees completed the British Institute of Innkeeping (BII) Award for Personal Licence Holders or the Scottish Certificate for Personal Licence Holders, which are the recognised national qualifications in the licensed trade.

Community actions to tackle alcohol harms

We strongly support local Pubwatch schemes and crime prevention initiatives and it is Company policy for all general managers to join and support a local Pubwatch scheme. We also actively support our general managers in participating in local Best Bar None schemes.







OUR EMPLOYEES

OUR EMPLOYEES

As one of Britain's biggest retail employers it is critical that we listen to our 40,000 employees and provide opportunities for them to ask questions, suggest ideas and offer opinions. There are a number of ways we achieve this:



Employee engagement

In July we asked all of our employees to complete our annual online survey, called Your Say, to tell us how they were feeling about their job.

In our retail estate, response rates and engagement scores increased on last year's results. We were delighted that scores for our retail employee and general manager groups beat benchmark data in terms of both job satisfaction and commitment to the Company.

Additionally, to understand how our retail support team were feeling about their jobs, we launched a pulse survey in May and followed this up with a number of focus groups to better understand the results. The findings from these focus groups were presented to senior managers and, via a workshop, a number of actions were identified which are now included in the HR strategy.

Online resources

We have a dedicated website – www.OurHub.co.uk – where our employees can access important information about their job role, such as pay, benefits and grievance procedures, training and careers, from their phones, tablets or PCs. Employees can also email their questions to us via this website.





Listening to our employees' views

Our annual Business Forum encourages the exchange of information, views and ideas between employees and senior managers. Questions can be submitted to our Forum Reps (pictured above at the 2012 Forum) by any employee and are typically about pay, benefits, learning and development. Detailed coverage of the Forum and the answers to questions are published online on our employee website. Additionally, we facilitated a number of employee discussion groups hosted by senior managers.





Benefits

Our employees can access a wide range of benefits which include Apple discounts, Bike4Work, child care benefit scheme, Dine With Us employee discount vouchers, online shopping discounts, pensions and share schemes. Any employee can apply to the Mitchells & Butlers

Employee Donations Scheme to request funding for work fundraising activities in or out of work time. Additionally, employees who, for example, work 5 days a week over a 12 month period are entitled to 28 days holiday each year.

Confidential hotline

If any of our employees have any concerns about anyone in the business misusing their position or conducting activity at work which is dishonest, illegal or endangering our people, guests or the environment, they can tell us about it by calling our confidential hotline number.









Learning and development

This year saw the opening of our state of the art in-house Training Academy located at our Retail Support Centre in Birmingham. The Academy is intended for use by our 40,000 central support and retail employees for inductions, conferences, briefings and learning and development programmes.

CASE STUDY

Retail Career Pathway

Information that our retail employees need to help them understand what training and development is available to them as they progress their career with us is contained within our Training Directory.

The Training Directory is an e-book that explains all of the eLearning, workbooks, training courses and qualifications available to our employees in each job role ranging from team member, right through to general manager. The e-book can be accessed at anytime and employees can save it down to their own PC or print all or any of the pages. They can also look up their current job role to see details of all the training they need to do. For example:

ESSENTIAL LEARNING

Training that must be completed within their first 13 weeks of employment

DEVELOPMENT

Training that they complete whilst in the job role

PROGRESSION

Training they are required to complete if they wish to progress further up the ladder



We also have a Career

Pathway poster, designed to show employees at a glance all of the development available within each job role. A copy of this poster is displayed back of house in each business or employees can click on the poster icon to see it on their own personal computer.

Apprenticeships

Recently, Browns restaurants invested £150,000 in launching an apprenticeship scheme in a bid to help address a staff shortage across the sector as a whole and better develop our employees for the future.

CASE STUDY

Browns Apprenticeships "You're Hired!"

Browns restaurants launched a pioneering new catering and hospitality management apprenticeship scheme in its restaurants across the UK to help find the rising stars of tomorrow, and kick-start a career development drive within the industry. Initially recruiting 60 apprentices to its new 12-month scheme, places have already been filled with front of house team members and chefs who will ultimately gain the Level 2 Food & Beverage Apprenticeship and Level 2 Professional Cookery Apprenticeship respectively.

Browns is initially investing £150,000 to launch the scheme which utilises an e-learning resource*, along with assessments being carried out by 'Mentor Assessors' who are Browns' very own General Managers and Head Chefs, all of whom have years of experience behind them. This means each apprentice is guided and coached through their apprenticeship by an individual who is in a position to provide continuous support and tailor their skills and knowledge.

The training and experience offered is unique in the industry in that Browns uses fresh ingredients and employs different styles of preparation and cooking creativity for its daily specials. Browns also prides itself on top levels of customer service, which is recognised around the country in all its estate.

Commenting on the launch, Vanessa Hall, Brand Operations Director, said: "Browns has a fantastic track record in developing in our people and offering career progression. We our proud of our loyal and highly skilled work force and the launch of the apprentice scheme can only enhance this. A career in catering is sometimes overlooked but we're looking to change those perceptions by offering a really high





level of training. We are offering extremely competitive rates of pay which are the equivalent to the full rate for the jobs being performed, plus they receive training and nationally recognised qualification at the end of the 12-month training period.

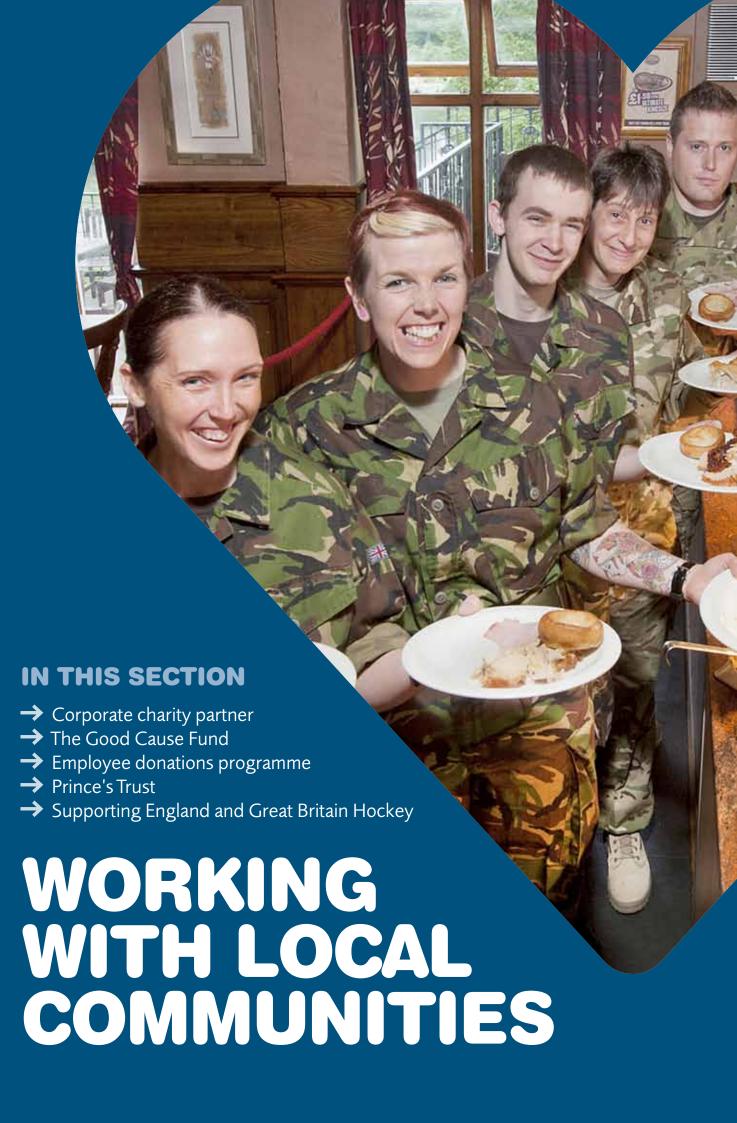
"Our long term aim is to offer 100 apprentice places each year and take on all trainees on a full time contract. Well trained front of house teams and chefs are critical to the success of our business and the standards of the apprenticeship course reflect this."

Adam Ellis (18 yrs old) - Apprentice Chef at Browns Sheffield, added:

"I have loved cooking all my life and my ambition has always been to become a chef. I have worked as a kitchen assistant in a sandwich shop but when I saw the apprentice advert to work for a great company like Browns I was really excited and wanted to jump at the chance. I believe with this apprenticeship I can pursue a brilliant career within a well-known restaurant.

Chloe Richards (16 yrs old) - Front of House Apprentice at Browns Bath summed up:

"I didn't know what I wanted to do but wanted to work with people. Most regular jobs you need to have experience and so I looked at the apprentice option. This gave me a great opportunity to work in a really nice restaurant in Bath. So far it's going really well. Everyone has been really friendly and I'm learning loads of new skills and looking forwards to working with Browns over the next year."



WORKING WITH... NATIONAL GOOD CAUSES AND LOCAL COMMUNITIES

Mitchells & Butlers operates a number of charitable donations schemes to actively encourage our employees to get involved with national and local charities as well as worthy local causes within their immediate communities.



Corporate charity partner

Earlier this year we concluded Mitchells & Butlers' very successful three year corporate charity partnership with Marie Curie Cancer Care. Our support team's enthusiasm and support for the charity has been fantastic and we are delighted to say that, in total, we donated a staggering £192,000 over the three year period. This amount was raised through a combination of annual corporate donations, employee fundraising and donations from our guests buying pins in the Great Daffodil Appeal. Our employees have participated in the Great Escape Challenge, cake sales, raffles, a sponsored abseil, marathon

events, books sales, pub quizzes, skittle nights, dress down days as well as individual team member challenges such as sponsored runs, walks and cycles. Executive Chairman, Bob Ivell, commented: "We are absolutely delighted with the final figure raised for Marie Curie. Our employees have taken support for the charity to heart and have shown great enthusiasm, generosity and dedication to supporting cancer care." This donation has funded nearly 10,000 nursing hours across the UK and the team at Marie Curie sent us a letter thanking each and every one of our employees for their amazing support.

Marie Curie Cancer Care

In 2012, following the cessation of our three year partnership with Marie Curie, we announced that instead of having one corporate charity partner, we would be encouraging our pub teams and individual employees to apply for a donation towards fundraising activity that they are either organising or taking part in. This strategy has allowed many more national and local charity and community projects to benefit from funding:

THE GOOD CAUSE FUND

The Good Cause fund was set up in 2012. Our retail employees can apply for a donation towards a community or charity event they are taking part in. Last year, Mitchells & Butlers donated £15,650 to worthy causes such as Ciaran's Cause, a charity supported by the Toby Carvery in Warrington whose aim is to provide defibrillators in all 69 local primary schools.

EMPLOYEE DONATIONS PROGRAMME

Any employee can apply for a charitable donation from Mitchells & Butlers to go towards a personal charity event they are taking part in or organising. Last year, we donated £25,000 to a wide range of charities including MS Society, CLIC Sargent and the British Heart Foundation.



The team at George & Dragon (PCDG) dressed as 'the post' in support of a local postman's charity fundraising

PRINCE'S TRUST

We are two years into a three year programme supporting the Prince's Trust. This year, Mitchells & Butlers donated £15,000 to the Prince's Trust. Earlier this summer we put together a team of eight employees to participate in Million Makers – a fundraising initiative where teams compete to raise as much money as possible, by January 2013.



SUPPORTING ENGLAND AND GREAT BRITAIN HOCKEY

We are also two years into a three year sponsorship deal worth $\pm 90,000$ as an official partner of England and Great Britain Hockey, with Harvester having become their official restaurant partner.



CASE STUDIES

OUR BRANDS - AT THE HEART OF OUR COMMUNITIES:

Crown Carveries restaurants nationwide are rewarding nurses between Mon 9th and Sat 14th January with a FREE carvery





Free meal at Crown Carveries for service personnel to celebrate Armed Forces Day -Monday 25th to Saturday 30th June

Crown Carveries

According to official figures, 22% of all nurses in the UK missed out on precious time spent with friends and families to look after



those in need. In January 2012, Crown Carveries launched a public campaign to reward the dedication and expertise of these unsung heroes. Nearly 7,000 nursing staff took the brand up on its offer of a free meal.

To mark Armed Forces Day in June, Crown Carveries offered a free carvery meal or breakfast to Service people, past and present, for the fourth year running. This year, Crown Carveries donated 6,700 carvery meals and 300 breakfasts in the week leading up to Armed Forces Day.

Miller & Carter

On Thursday 14 June Miller & Carter RBM, Mark Bond, and several of his Essex General Managers attended the Heart Radio Essex Heroes Awards at the Crowne Plaza in Colchester; an event to recognise the county's unsung heroes, voted for by Heart listeners.

One of the award categories, the Adult Bravery Award, was sponsored by Miller & Carter and it was Mark's honour to present the award to Ashley Hall, a soldier who lost both legs while serving in Afghanistan.

"Prior to giving this award I hosted a table for dinner with his family and I have to say the whole event was incredibly humbling. To hear this young man's positive outlook on life was truly inspirational," says Mark.



Soldier Ashley Hall from Colchester won the Adult Bravery Award, sponsored by Miller and Carter Steakhouses, after sustaining injuries in Afghanistan

CASE STUDIES

OUR BRANDS - AT THE HEART OF OUR COMMUNITIES:

Browns

TV presenter Kirsty Gallacher raised a toast to Browns and its guests in July to celebrate the brand donating a fantastic £10,000 to children's charity, the NSPCC.

Kirsty, who is the daily presenter for Sky Sports News and a famous Friend of Browns, presented a cheque for £10,000 to the NSPCC's Svetlana Kirov, the charity's Head of Corporate Partnerships.

Though its restaurants Browns donated £1 for every main course ordered from its new summer menu in May and June to the NSPCC, raising a fantastic £10,000 for the charity to help protect vulnerable children from abuse.

Kirsty, a mother of two, said: "I am delighted to present this cheque to the NSPCC on behalf of Browns. I hope my involvement helps to highlight such a worthy cause and the efforts made by Browns



Svetlana Kirov, Head of Corporate Partnerships at the NSPCC (left) with Browns' Retail Director, Simon King and TV presenter Kirsty Gallacher.

who, together with all their lovely Guests, have helped to raise this amount for such a fantastic charity."

Svetlana Kirov, the NSPCC's Head of Corporate Partnerships, says: "I'm delighted to accept the cheque on behalf of the NSPCC and I can't thank Browns enough for their amazing support. I'd especially like to thank all the Guests, who by dining out as a Friend of Browns, helped raise vital funds to support our work in protecting children and preventing abuse."

Simon King, Retail Director for Browns, added: "I'm so proud to be able to donate such a significant amount of money for the NSPCC. Keeping children safe from harm and abuse is a cause close to the hearts of us all in Browns from employees to Guests and I know our donation will help make a difference to the lives of the most vulnerable children."

Harvester

Harvester donated 25 pence from every special Chocolate Star Ice Cream Sundae sold to Make-A-Wish® Foundation UK. The brand donated a total of £38,268. Harvester has raised more than £200,000 for the charity, which is the organisation's chosen charity, over the last five years.



O'Neill's

As part of its St Patrick's Day celebrations, O'Neill's Irish-jigged its way from Aberdeen to Bournemouth and all the pubs in between and raised over £45,000 for Cash for Kids.



Other important fundraising activities

Our restaurants and pubs up and down the country also supported the Poppy Appeal in November 2011 and Marie Curie's Great Daffodil Appeal in March 2012.

It's not just our brands that go the extra mile for local good causes





Thousands of our individual pubs and employees organise fundraising activities each year. Here's just some of our local heroes stories:

SARAH JEFFRIES

Sarah Jeffries, general manager at the Harrow Ember Inn in Hornchurch, and her team, helped a local couple raise over £6,000 for the charity FSID after they lost their baby to sudden infant death syndrome.

On 25 May, Sarah and her daughter Leah took part in the 'Mile in Memory walk' in both Regents Park and locally, with the family and other members of the local community. Going the extra mile as Sarah does, she called all of the Mitchells & Butlers pubs along the local route to let them know that they'd be coming round shaking buckets! Needless to say, they were

met with lots of smiles and deep pockets.

Sarah said: "Caroline and Steffan are locals and have taken part in many of the activities that we have run in the pub. I was more than willing to help such good friends raise money for such a worthy cause."

THE TEAM AT THE HARDWICK ARMS

The team at the Hardwick Arms Ember Inn in Streetly were celebrating in March after raising a staggering £5,000 for Birmingham Children's Hospital.

Team members, including Kitchen Manager Nigel Oseman, joined forces with Danny Ryan MBE to raise the £5,000 over just 17 weeks through the pub's quiz nights. The money raised has funded a new Co-Oximeter, a machine which measures oxygen levels in a premature baby's blood, placed at Birmingham Children's Hospital.

Nigel Oseman from the Hardwick Arms said: "When we first heard

about Danny's fundraising we thought it was an absolutely fantastic idea and jumped at the chance to help raise money for such a worthwhile cause. We're truly delighted we've been able to raise the £5,000 needed to buy the essential equipment, and it's definitely the generosity of guests at our quiz nights that have helped us reach the target - we really can't thank them enough. It's been a lot of fun working together to reach the £5,000 - particularly when I sat in a bath of jelly with custard pies thrown in my face during one quiz night! We really hope to work with Danny again in the near future."

Danny added: "I just want to express my biggest appreciation to the staff and guests at the Hardwick Arms for what they have done - it's thanks to them that we're able to purchase much-needed equipment for the neonatal ward at the hospital.

The money raised for Birmingham Children's Hospital is just one of a long list of fundraising the Hardwick Arms has undertaken. The team has raised more than £31,000 over the last five years for local charities such as MENCAP, British Heart Foundation and Cancer Support Centre.

ESTHER BENNETT

Esther Bennett, General Manager at the Longhorn Ember Inn in Walsall was recently crowned a hero within her local community for supporting another local business following a fire.

The Co-Operative Store, Sutton Road, Walsall was partly destroyed by fire last August. During its closure, Esther did her best to support the community who relied on the shop, even having newspapers available over the road at the Longhorn.

At the re-opening, the Co-Operative asked Esther if she would perform the opening ceremony and cut the ribbon, as they consider her to be a very important part of the community - "a real hero" and as a thank you, they donated £500 to a charity chosen by Esther.

As the Longhorn is having a Christmas challenge to support the Premature Baby Unit at the Walsall Manor Hospital, Esther agreed to do the task and to use the donation to start her new campaign.



CASE STUDY

Re-fuelling on the hoof

Comedian John Bishop made a pitstop at the Dartford Bridge Harvester back in March on the final leg of his 290 mile 'Week of Hell' journey for Sport Relief. John eventually raised over three million pounds for the charity.

John kicked off his final day with just a marathon left to complete following a 185-mile cycle through northern France, and rowing the 26-mile English Channel earlier this week.

The comedian set off from Gravesend stopping at the Salad & Grill on Princes Road for a re-fuel.

John and his trainer were welcomed by the Harvester team and over 30 local supporters including those from a local school, where he had a bite to eat and some drinks before being massaged by his entourage. The comedian and his team then left the restaurant before finally finishing his epic marathon in Trafalgar Square.



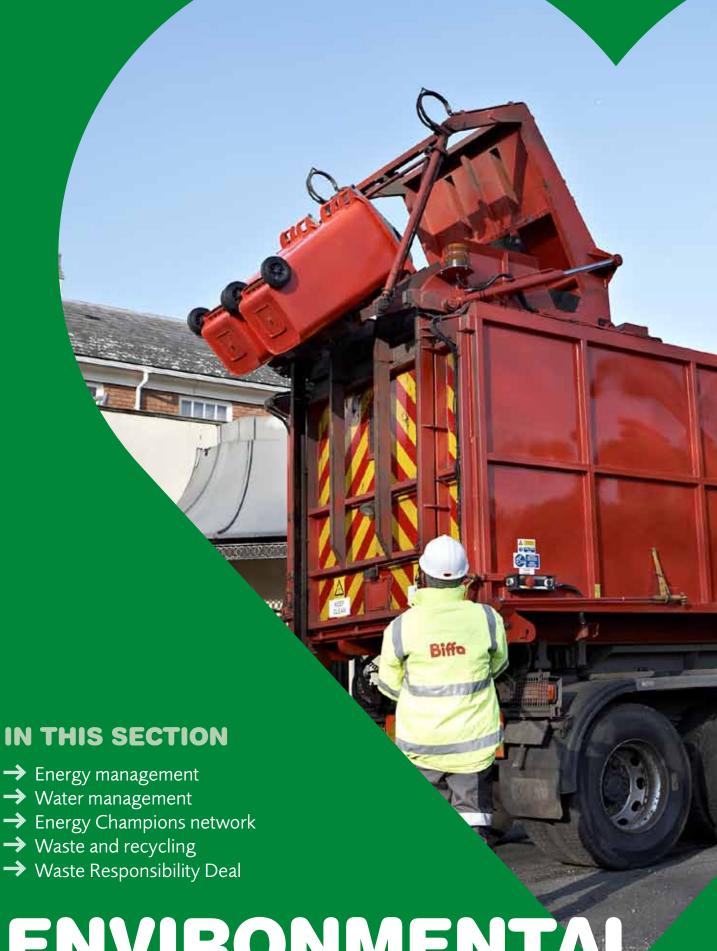
£ £120,000

The total value of corporate and brand charity donations in 2012

£40,650

The value of corporate donations awarded to numerous charities and good causes via fundraising carried out by our employees and pubs in 2012

CHARITY FACTS



ENVIRONMENTAL CONCERNS

OUR ENVIRONMENT

Energy management

The reduction of our consumption of energy is now a fundamental part of our everyday business. Innovative methods to make our businesses more energy efficient are now being complemented by further developments in energy recovery.

We are proud to be one of the few businesses to achieve re-certification of the Carbon Trust Standard by achieving an 8% year on year carbon emission reduction relative to the number of meals we serve each year – some 130 million.

This has been achieved through our continuing work with both manufacturers and industry to develop bespoke solutions for our restaurants and pubs. These are unique buildings with unique trading patterns and unique requirements.

Some of the initiatives that we have already tested successfully, and are rolling out into all our restaurants and pubs, are giving us significant returns on investment. Simple techniques such as loft and pipe insulation and

draught exclusion are proving very effective at reducing our energy consumption and 2013 will see further work to get all our businesses fully insulated.

Other techniques such as the automated controls on equipment like our kitchen extractors and boilers are also proving very successful, as is the ambient air cellar cooling (which was an industry first from Mitchells & Butlers), and we also will be extending these systems across our businesses this year.

Of particular note is the success of our installation of LED lighting. Not only is this helping us to make considerable savings in our electricity bills, it is also saving our restaurant and pubs teams a great deal of time – the LED lamps only need to be changed every five years.

Our focus on heat recovery techniques is also paying off. The success of the work we've



Where we build a restaurant from scratch, we are able to incorporate a package of energy saving systems and techniques into the new construction straight away – so the business is as energy efficient as we can make it from the start.

undertaken to recover the heat generated in our cellars to produce free hot water has encouraged us to consider other, innovative heat recovery systems and we are starting trials shortly on some exciting new developments in this area.

By the end of 2013, we anticipate that all the Front of House lighting in all our businesses will be LED.



Water management

We are also working with manufacturers to reduce the amount of water we use, for example, in the dishwashers we install in our kitchens. Devices such as self closing taps and Hippo bags in our toilets are also being installed where we undertake any refurbishment projects.

Our trials of collecting water consumption data every half an hour, though at a very early stage, are showing some promising results and we will be increasing the number of sites included in our trials through this year.

Energy champions

Mitchells & Butlers is proud to have been the highest place managed restaurant group in the Government's CRC Energy Efficiency Scheme this year, ranked 154 out of 2,102 participants.

We established Energy Champions within the Company three years ago and now have 120 working within all our restaurants and pubs. They help to communicate the importance of our energy saving programme, embed the new systems and monitor all the trials taking place across our businesses.

We are also proud that our Head of Energy Management, Richard Felgate, has been invited to join the Board of the Energy Managers' Association.

Waste and recycling

The detailed work that we undertook some years ago, to understand exactly how much waste (and of what sort) we produced as a business, enabled us to plan our waste recycling programme efficiently and accelerate it significantly where possible.

With a clear understanding of the type and volume of waste being produced, we could take the right steps with our suppliers and contractors to improve our performance.

This has seen the following benefits achieved:

We have consolidated our deliveries of food to our businesses with the deliveries with consumables (for example, cleaning materials, napkins, etc) so all items are now delivered on a single vehicle.

This is estimated to have reduced our annual vehicle delivery kilometres by one million (around 400 tonnes of CO²)



- We now collect food waste from all our businesses, which is used to generate electricity.
- We also collect all dry mixed recycling (such as glass, paper, card, plastic and tin) from our businesses.
- We are continually refining our processes and identifying areas where we can improve.
- We collect all our waste cooking oil and convert this to biofuel.

Last year, we collected around 2,740 tonnes of waste oil, saving over 5,082 tonnes of carbon.

We remain focused on our target of sending zero waste to landfill by the end of next year.

Waste Responsibility Deal

In 2011, the Department for the Environment, Food and Rural Affairs launched their Waste Responsibility Deal. The objective is to build on the progress made in recent years in modernising the UK's approach to waste management, with decreasing use of landfill and more recycling and recovery. This has involved significant investment by waste management companies, and close working between companies, waste producers, householders, and central and local government.

The Mitchells & Butlers waste management team are part of the working group, set up in respect of the Deal, to consider ways to improve further the management of waste. Working together with the Government's partners WRAP (Waste & Resources Action Programme), the team is concerned in particular to consider the impact and opportunities for the food and drink industry.

CASE STUDY

Waste not, want not

As Mitchells & Butlers is the largest on-trade caterer in the country, serving around 130 million meals a year to our guests, it's not surprising that we end up with a certain amount of waste from all that cooking and eating.

But we have made a great deal of progress in the last few years in collecting and recycling this waste, turning it into something that is useful. Recycling or converting our waste into a source of renewable energy is helping hugely to reduce the environmental impact of our businesses.



Agri Energy taking away waste cooking oil from one of our country pubs

We are doing this in two ways:

COOKING OIL

The used cooking oil is collected from all our restaurants and pubs and is then refined to take out impurities and excess moisture. This refining process stops the waste oil – and money – from literally going down the drain, as it is converted into an effective and efficient substitute for fossil fuels. In this refined form, it is suitable for a range of uses in biodiesels, biofuels and biolubricants.

The biodiesel is sold on to fuel companies to blend into the diesel used by motor vehicles every day. So, as all

fuel sold on garage forecourts contains 3.25% of biodiesel, the lorries delivering food, drink and other essentials into our restaurants and pubs are running on tanks filled with fuel which, in part, has been derived from the very restaurant they're going to!

In this way, we recycle some three million litres of cooking oil each year, making a carbon saving of around 5,000 tonnes – the equivalent of taking 25,400 cars off the road each year.

FOOD WASTE

Working with a national food waste collection service, we also now collect the food waste from all our businesses which, in turn, is used to generate electricity.

The food waste goes into regional anaerobic digestion facilities and the resulting methane gas is converted to electricity, sold on the National Grid. The digestate, or compost, that is left can also be used in fertiliser.

Around 42,000 tonnes of food waste was collected from our restaurants and pubs in the last year and recycling it into electricity and fertiliser has saved around 6, 786 tonnes of carbon.



In April 2011 Biffa's new state of the art Anaerobic Digestion facility opened at Poplars waste management site in Cannock, Staffordshire

CASE STUDY

Some 'cool' winners

Mitchells & Butlers won two awards this year in recognition of our innovation in energy reduction, at the Refrigeration and Air Conditioning (RAC) Cooling Industry Awards 2012; the Environmental Collaboration of the Year award, for developing a free air cellar cooling system along with its partners Climate Centre and GEA Searle, and the End User of the Year (non-supermarket). The judges recognised Mitchells & Butlers as an end user who is willing to push the boundaries with new technology and techniques.

Simon Cocks from Mitchells & Butlers (centre) accepting the Environmental Collaboration of the Year award at the Refrigeration and Air Conditioning (RAC) Cooling Industry Awards 2012



