

PHUK Modern Slavery Act Statement

Statement for Financial Year ending 4 December 2018

This statement is made pursuant to s.54 of the Modern Slavery Act 2015.

It sets out the steps that we, Pizza Hut (UK) Limited (**Pizza Hut Restaurants**), have undertaken, and are continuing to take, to attempt to ensure that modern slavery or human trafficking is not taking place within our business or supply chain.

We recognise our responsibility to ensure sound social and ethical practices within our own operations and within our supply chain, in every market in which we operate. We acknowledge that every worker has the right to live and work with dignity. We have a zero tolerance approach to any form of modern slavery and we are committed to creating effective systems and controls in place to safeguard against any form of modern slavery taking place within our business or our supply chain.

Overview of our organisation and supply chain

Pizza Hut Restaurants is a franchisee-operator of a multi-site restaurant business running over 250 restaurants within the United Kingdom, employing 7900 people throughout our restaurants and the rest of our business.

Our food, beverages and packaging, as well as all our non-food supplies are sourced directly from our suppliers, who are based globally, and source from their own global supply chains.

We are aware that there is a risk of modern slavery within all businesses, even those based within the UK and we are particularly aware that the food-industry is an area of increased risk.

Our policies

We operate a number of internal and external policies to ensure that we are conducting business in an ethical and transparent manner. These include:

1. **Ethical Sourcing Policy:** This policy defines Pizza Hut Restaurant's minimum standards and basic principles of cooperation that we expect of all our suppliers and business partners. It is shared internally to provide guidance to our buyers and contract approvers to ensure that our procurement is in line with our ethical standards. This policy is examined in more detail below;
2. **Sourcing Code of Practice:** this policy sets out standards to help us responsibly manage our supply chain and meet our aim of sourcing all food, packaging and products ethically and sustainably. It forms part of our contractual relationship with our food, beverage and packaging suppliers;
3. **Anti-Slavery Policy:** this policy sets out our expectations of employees and others working within our business in relation to slavery and human trafficking. The policy makes it clear that we expect all those working for us or on our behalf to raise concerns about any potential instances of slavery or human trafficking. We expect our suppliers to comply with this policy, and they will be required to confirm in writing that no part of their business contradicts this policy;
4. **Employee Code of Conduct:** this contains information about our whistle blowing procedure, which allows employees to raise concerns about how colleagues are being treated, or practices within our business or supply chain, without fear of reprisals. In order to ensure that our employees always feel comfortable to come forward with concerns, we run a free, confidential whistleblowing hotline; and

5. **Employee Handbook:** this contains our requirement to conduct eligibility to work in the UK checks for all employees to safeguard against human trafficking or individuals being forced to work against their will.

Our suppliers

All our tier 1 suppliers of food, beverages and associated packaging are required to comply with a copy of our Ethical Sourcing Policy, whilst also communicating it to all their employees, suppliers, subcontractors, and all other staff engaged in their supply chain. We actively engage with our suppliers in higher risk areas to understand their compliance status, and support them in complying with this policy.

Our Ethical Sourcing Policy is based on local legislation and regulations, and also on the standards of the following internationally recognised bodies:

1. the International Labour Organisation (ILO);
2. the United Nations (UN) Universal Declaration of Human Rights; and
3. the Ethical Trading Initiative whose base code is drawn from the scope and standards defined by the ILO and UN.

The Ethical Sourcing Policy requires our suppliers to commit to 14 social, ethical and environmental principles, of which the following are particularly relevant to combating modern slavery:

1. Employment must be freely chosen;
2. Child labour must not be used;
3. Fair wages must be paid; and
4. Working hours must not be excessive.

If suppliers fail to comply with the requirements of this policy, we will require them to develop and share plans with us to mitigate this non-compliance. We reserve the right to cease trading if a supplier repeatedly fails to comply, although we will only do this as a last resort. As an example of this policy in action, in 2014 we identified that a cleaning supplier was paying its staff less than the statutory minimum wage. We raised this incidence of non-compliance with the supplier and worked with them to rectify the issue and seek to prevent this happening again.

We have access to Sedex's risk management tools, which we use on a case by case basis to assess new high risk suppliers.

We have included anti-slavery provisions in our standard terms and conditions which are used with our suppliers and ensure that such provisions are included in all contracts as appropriate.

Training

We have developed an online training course to train key personnel in procurement, human resources and management positions in how to identify, and tackle instances of modern slavery within our business and supply chain. This course has been rolled out to all relevant personnel in the last year and will continue to be rolled out to relevant new employees as appropriate.

Next steps for the year ahead

We acknowledge that stamping out slavery and human trafficking is a process that will take time. As such we intend to continue to monitor our own performance, and the performance of our supply chain, in combating modern slavery. In monitoring such performance, we will consider the:

- a. number of staff trained; and
- b. number of incidents of slavery and/or human trafficking.