



## Modern Slavery Statement 2018

This statement is published in accordance with section 54(1) of the Modern Slavery Act 2015. It sets out the approach taken by HEINEKEN UK Limited and its group companies during the year ending 31<sup>st</sup> December 2018 to prevent modern slavery in its business and supply chains.

This statement applies to all Heineken UK Limited group companies. At the time of publication the following group companies meet the reporting threshold contained in the Modern Slavery Act 2015:

HEINEKEN UK Ltd

Red Star Pub Company (WR III) Ltd

Punch Taverns (Jubilee) Ltd

Punch Partnerships (PTL) Ltd

Blue Star Pub Company Ltd

A handwritten signature in black ink, appearing to read "Lynsey Nicoll", positioned above a solid black horizontal line.

**Lynsey Nicoll**

**Head of Legal, for and on behalf of Heineken UK Limited**

Date: 5th July 2019

## What is Modern Slavery?

Modern slavery describes situations where someone is being exploited and controlled by a person or organisation, without the ability to leave or change their situation, such as forced labour, debt bondage or bonded labour, human trafficking and child slavery. It can affect people of any age, gender or race. Most commonly, slavery affects people and communities who are vulnerable to being taken advantage of.

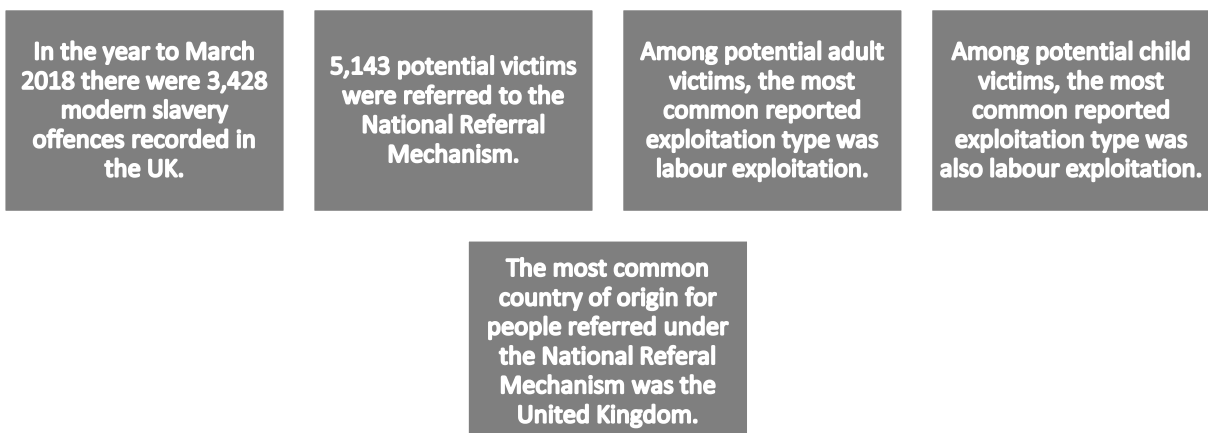
HEINEKEN UK is committed to the highest standards of business conduct, ethical behaviour and integrity throughout its business. We have adopted a zero-tolerance approach to modern slavery in our organisation, and are committed to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our organisation or within our wider supply chain network.

### Modern Slavery World Wide



[International Labour Organization - Global Estimates of Modern Slavery: Forced Labour and Forced Marriage Report](#)

### Modern Slavery in the UK



[HM Government - 2018 UK Annual Report on Modern Slavery](#)

## Our Business and Supply Chain

We are the UK's leading pub, cider and beer business and the name behind iconic drinks brands such as Strongbow, Bulmers, Heineken, Fosters, Kronenbourg 1664 and Desperados, together with a full range of speciality brands. We employ 2,400 people in the UK and have breweries, cider plants and offices in Edinburgh, Tadcaster, Manchester, London, Hereford and Ledbury. We also own a nationwide pub estate of around 2,700 outlets.

Our end-to-end supply chain comprises many different elements:



We work with suppliers across our brewing, on trade, off trade and other commercial operations. We recognise that there is always a risk of modern slavery occurring in our supply chain and have taken steps to understand and to mitigate those risks (as further detailed below).

### Our Human Rights Policy

Respect for human rights is embedded throughout our business. Our Human Rights policy has been in place since 2012 as part of our [Code of Business Conduct](#) which applies across the entire worldwide HEINEKEN organisation. In 2018 we renewed our Human Rights Policy.

Our policy is aligned with international standards including the Universal Declaration of Human Rights, the Declaration on Fundamental Principles and Rights at Work of the International Labour

Organization (ILO), the Guidelines for Multinational Enterprises of the Organisation for Economic Cooperation and Development (OECD) of 2010, and the United Nations (UN) Guiding Principles on Business and Human Rights, and incorporates the following 10 key human rights standards as a foundation to help us to understand, avoid and address human rights-related risks:

- Health and safety
- No forced labour
- Child protection
- Rest and leisure
- Access to water
- Non-discrimination
- No harassment and violence
- Freedom of association and collective bargaining
- Fair wages and income
- Respect for human rights in high risk contexts

Our Human Rights Policy can be viewed [here](#).

### **Risk Management**

In order to comply with the high standards we have set for our business and supply chain, we are constantly reviewing and assessing our processes. We take a risk based approach to identifying and eradicating modern slavery and human rights abuses. Some of the measures we adopt are set out below.

#### **A. Supplier Code**

We require all of our suppliers to abide by our Supplier Code which outlines the key behaviours we expect of our suppliers, including ensuring safe working practices, fairly remunerating employees, and complying with the standards set by the International Labour Organisation. Suppliers must confirm that they will agree to abide by our Supplier Code before they are permitted to enter into the tender process.

#### **B. Risk Assessing Suppliers**

When engaging a new supplier, we assess the supplier against set key criteria to determine their risk factor with regards to modern slavery and human rights. If we deem a supplier as being higher risk then we will insist that the supplier take part in an audit to be performed by an independent third party auditor (currently [EcoVadis](#)). EcoVadis performs an independent audit across the themes of Environment, Fair Labour & Human Rights, Ethics, and Sustainable Procurement. The audit model used by EcoVadis is built on international standards, including the Global Reporting Initiative, the United Nations Global Compact, and the ISO 26000, covering 190 spend categories and 150 countries. We do not enter into working relationships with suppliers who decline to take part in the EcoVadis audit.

As part of our supplier risk assessments, we have identified construction as being one of the highest risk areas that we operate in with regard to modern slavery in the UK. We regularly deal with construction suppliers in the refurbishment of our pub estate. In order to minimise the risk of modern slavery entering our supply chain via our construction suppliers, we hosted a Supplier Day for our construction suppliers. At the Supplier Day, we outlined acceptable ways of working and our expectations of suppliers with respect to ensuring compliance with our Supplier Code and modern slavery generally.

### **C. Speak Up Policy**

We have embedded a [Speak Up](#) policy across the HEINEKEN organisation. If anyone (whether it be an employee, supplier, customer or consumer) has a concern about a possible violation of our Code of Business Conduct, including any of the underlying policies, they can report their concerns anonymously online or over the phone. We actively promote our Speak Up policy across the organisation and encourage individuals to report any concerns, including any possible human rights violations, through this channel.

### **The Evolution of Our Approach**

Since producing our last Modern Slavery Statement, we have invested time and resources into making sure that all of our human rights policies are evolving and that we are aware of the risks in our business and supply chain at any given point in time. Set out below are some of the actions and events that have taken place in 2018.

#### **Human Rights Workshop 2018**

In 2018, a number of Human Rights Workshops were held across the global HEINEKEN organisation, including at HEINEKEN UK. The workshop was facilitated by [Shift](#) and was attended by senior HEINEKEN UK colleagues across all business areas.

A central aim of the workshop was to identify the modern slavery risks within our UK business and supply chain in order to help us to better understand where we might be exposed, and accordingly, where we need to focus our efforts. A number of opportunities to further strengthen our position on human rights and modern slavery were identified, specifically:

- the need to improve communication in order strengthen the visibility of key policies across the business;
- the need for further mandatory training sessions on our Human Rights Policy for all colleagues; and

- the need to re-communicate our Speak Up policy.

Steps have already been taken to address these specific risks and these efforts will continue throughout 2019 and beyond.

### **Brand Promoters Policy**

As part of our commitment to human rights, 2018 saw the launch of our Brand Promoters Policy. The Brand Promoters Policy outlines key principles that we expect any supplier who engages brand promoters (brand promoters provide samples, serve or sell drinks in bars, restaurants, shops or at events) to adhere to, such as:

- ensuring the safety of Brand Promoters at all times;
- providing support to Brand Promoters and making them aware of our Speak Up policy; and
- requiring Brand Promoters to complete mandatory training provided by HEINEKEN so that they are clear on what is and what is not expected of them;

The Brand Promoters Policy was rolled out across the global HEINEKEN organisation in 2018 and has been successfully implemented in the UK.

### **Chartered Institute of Procurement and Supply (CIPS) Ethics Course**

In 2018 all procurement personnel in our organisation successfully completed the [CIPS Ethics Course](#). The course covered a wide range of human rights and ethical topics, including:

- Corruption, fraud, bribery and exploitation;
- Human rights and forced labour in supply chains;
- Ethics and transparency in procurement; and
- Environmental awareness.

Our certification is noted in the [CIPS Corporate Ethics Register](#) and we have been awarded an Ethics Kite Mark from CIPS. The certification and the training will be renewed and updated annually.

### **Wider Industry Engagement**

We have engaged with other industry leaders to discuss what precautions they are taking to ensure that their organisations remain free of modern slavery and other abuses of human rights. We believe that modern slavery is best tackled with a collaborative approach from the industry as a whole.

We are committed to continuing to work with our peers and competitors to stay on top of what is considered best practice and to share in each other's learnings as to how to eradicate modern slavery from our business and supply chains.

### **Assessment of Effectiveness**

This statement constitutes our modern slavery statement for the financial year ending 31 December 2018. We will continue to assess the effectiveness of the measures we take and we will regularly review and refine our policies and procedures in relation to modern slavery and human rights.

This statement has been approved by the Management Team of HEINEKEN UK Limited. A revised statement, detailing the steps taken and improvements made, will be published on our website each year at [www.heineken.co.uk](http://www.heineken.co.uk).