



Modern Slavery Statement  
2016

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# Introduction

From our humble beginnings as a single sandwich shop, Pret has always had ambitions, to contribute positively in this changing world. Fully supporting the spirit of the UK Modern Slavery Act and the transparency it encourages is something that aligns with our endeavour to do the right thing.

Instances of modern slavery can take many forms, such as forced labour, human trafficking and child labour. These practices are not always immediately apparent and they are not isolated to particular industries or geographically remote regions. Mindful of the complexity of the issue at hand, Pret recognises that no business is immune from modern slavery. We are wholly committed to eventually eradicating this unacceptable practice if and when identified in our operations and supply chains of our business.

We know there's a lot to do and we intend for our journey to be transparent, sharing our successes as well as the challenges we encounter along the way. This statement has been published in accordance with the Modern Slavery Act (2015). It details the steps Pret has taken to prevent, identify and respond to risks of modern slavery within our business and our supply chains during the financial year ending 29th December 2016.

# Our Organisation, Structure and Supply Chains

In 1986, Pret opened the doors of our very first shop in Victoria, London. A shop with a mission. A mission to create handmade, natural food, using quality ingredients. Back then, our founders recognised the plight of homeless people around Victoria and from that first shop and ever since, we have donated unsold food at the end of each day to homeless charities and shelters across the UK. We also donate food in the USA, France and Hong Kong. In 2016, we donated over 3 million food items in the UK alone. This desire to help the homeless led to the creation of the Pret Foundation Trust (PFT), whose mission is 'to alleviate poverty, particularly amongst the homeless'. Giving people in troubled circumstances a fresh opportunity to better their lives is something we fundamentally believe in. Along with unsold food donations in 2016, the PFT supported grass-roots charities with over £800,000 worth of donations and helped 53 people from homeless backgrounds and ex-offenders get back into work through Pret's Rising Star Programme. Today we sell a host of fresh foods and beverages, namely sandwiches, baguettes, wraps, soups, salads, fresh fruit pots and sweet treats. All of the coffee Pret sells is organic. Through the annual sales of our soups and special Christmas products, plus donations from our customers, the PFT receives income to support its activities.

# Our Organisation, Structure and Supply Chains (continued)

Pret A Manger celebrated its 30th anniversary in 2016 and we continued our measured expansion of the business, building and opening more shops, and expanding and refurbishing in all markets. We were able to achieve this because we have remained faithful to our core value – providing delicious, natural food with great service in attractive shops.

In 2016, Pret's revenue increased by 15% to £776.2 million. During 2016, Pret opened 50 new shops: 31 in the UK, nine in the USA, five in France, three in Hong Kong, one in Shanghai and one in Dubai. The total number of shops at the end of the year was 444: 329 in the UK; 74 in the USA; 19 in Hong Kong; 19 in France; two in China and one in Dubai. Of these, 12 are franchise shops, including our first shop in Dubai.

Pret relies on suppliers in our operating countries and beyond to provide us with the products we require. Whilst we directly source specific items from geographies further afield, for example tea from Sri Lanka and coconut water from Thailand, the majority of our tier-one food suppliers for our UK supply chain are based in the UK (83%) and the EU (14%). Wherever possible, we try to source fresh produce, namely fruit such as apples or berries and fresh salad leaf, from the UK. The reality of changes in season and sourcing cycles means that this is not always feasible. Beyond tier one, the supply chains of our products span the globe.

## The Pret Way

Pret began as a mission-driven business. This remains true today, not just in the products we choose to sell, but in our company-wide commitment to being a responsible business. This commitment constitutes one of Pret's four company-wide values, 'Doing the Right Thing'. More information can be found through our five-pillar sustainability strategy: <http://www.pret.co.uk/en-gb/sustainability>

# Policies

We have a number of policies in place which reflect our commitment to responsible business practice, including treating people fairly and with respect. These policies span our head offices, our shops and our supply chains.

## Direct Operations

Pret's policies respect the variance of the different markets in which we operate. Pret UK employees are guided by a Code of Conduct. Policies which exist alongside this include those on Anti-Bribery, Whistleblowing, Living Wage, Equal Opportunities, No Zero Hour Contracts and Seasonal Working Guidelines.

Pret is in the process of reviewing and expanding our policy framework in recognition of the importance of policies to set clear and consistent expectations and to show a commitment to meet our responsibility to respect human rights across all areas of our operations and supply chains. This will be addressed specifically in our 'People and Ethics' policy which is part of a number of issue-specific policies currently being developed. This policy is part of a new overarching policy framework, which also includes 'Food and Beverage' – nutrition and ingredients sourcing and 'Non-Food Buying' – the goods and services we need to function effectively. Pret's People and Ethics policy centres our ethical principles on a 'commitment to 'Doing the Right Thing' through honesty, respect for others, fairness and compassion'. It further articulates Pret's belief that 'people are at the heart of Pret's business so it's vital and only right they are treated well'. The policy directly references the Modern Slavery Act, which it positively welcomes.

## Supply Chains

Pret recognises the responsibility it has to ensure people in its supply chains are treated in accordance with its ethical principles. Pret's People and Ethics policy will further enforce Pret's expectation that our ethical principles are upheld across our supply chains. This is in line with Pret's belief that 'everyone should be treated fairly and well, whether a customer, supplier, team member or someone working on a farm growing our ingredients'.

Pret's recently updated Supplier Quality Manual serves as a Supplier Code of Conduct. Its scope is currently Pret UK. Our ambition is for it to become Group-wide and available in a number of different languages. The manual provides guidance for all food suppliers to Pret, and also wholesalers and agents representing manufacturers. The current document mandates our suppliers to have Supplier Ethical Data Exchange (Sedex) membership. This increases our visibility in our food supply chains and helps identify and act on potential risk.

# Embedding

We will embed our policies and cultivate Pret's values and behaviours in numerous ways, namely through training, governance, incentives and contractual terms.

Tackling modern slavery is not merely seen as the responsibility of individual departments. Following the introduction of the Modern Slavery Act, Pret formed a working group of senior management from different business functions, including Legal, Sustainable Business, People, Buying (Food and Non-Food) and Technical. The working group will build upon the processes and policies in place to ensure Pret strives to continuously improve its response to the Modern Slavery Act. The members of this group make decisions on a day-to-day basis that can influence our human rights performance, such as our People team, which plays a vital role in ensuring employees are treated fairly and with respect.

In November 2016, Pret convened our biannual conference for food suppliers in the UK. The Modern Slavery Act was included in an overview of current and future issues. Awards made at the conference incentivised supplier conduct in alignment with Pret's four values, including that of 'Doing the Right Thing'. Each award is reflective of one of Pret's core values.

Pret employees are encouraged to partake in training relevant to their role. In the past 12 months, individuals whose roles involve managing and responding to risks associated with modern slavery have participated in relevant training. This includes members of the Sustainable Business and Buying teams, who have attended training by credible third parties, for instances the Chartered Institute of Procurement and Supply and the Ethical Trading Initiative, respectively, which has featured modern slavery. Pret is committed to the development of a more systematic internal training programme for our employees around the importance of respecting human rights, with a particular focus upon modern slavery.

Pret sets out clear contractual expectations of our suppliers. In April 2016, we updated our terms and conditions for UK non-food goods and service suppliers. These include specific requirements around the Modern Slavery Act and a commitment that suppliers take 'all reasonable steps to ensure that slavery, servitude, human trafficking, forced or compulsory labour and/or child labour do not take place in its supply chains or in any part of its business'. Where Pret operates in markets outside of the UK, the terms and conditions attached to supplier agreements differ.

# Due Diligence

Pret understands the importance of a robust due diligence approach in helping to identify, mitigate and minimise risks of modern slavery. We recognise we must hold ourselves accountable to these responsibilities.

Pret visits all food suppliers for its UK supply chain to complete due diligence. In addition, all contracts processed by our non-food buyers are screened before they are able to work with Pret UK. This involves suppliers completing a pre-qualification questionnaire, where they are obligated to disclose whether they are a member of Sedex, whether they are legally bound to report under the Modern Slavery Act, and the steps they have taken to reduce the risk of modern slavery occurring in their supply chains.

Pret has recently joined Sedex, and we have mandated that all our food suppliers become members. This expectation is outlined in our Supplier Quality Manual. The Supplier Quality Manual requires existing suppliers to conduct a self-assessment. Suppliers are rated against five different categories; the first three represent minimum Pret expectations, whilst the final two represent best practice. Following this gap assessment, suppliers are expected to collaborate with Pret or external consultants to address issues which have been identified.

Pret puts emphasis on the development of long-standing partnerships with suppliers, predicated on mutual trust and respect. Suppliers that are like-minded in their approach, passion and dedication remain with us for many years. Pret is fortunate to work with leading suppliers across our product categories. A number of these suppliers have robust due-diligence processes concerning modern slavery in place. As Pret continues to grow and our global presence increases, we recognise the importance of a more systematic and comprehensive approach to risk assessment, as opposed to one which is heavily reliant on relationships. This commitment extends to the introduction of ethical visits for suppliers, which we plan to introduce in 2017. We do not view this as a 'silver bullet' solution, however, and fully comprehend the importance of an integrated approach.

## Coffee Case Study

For coffee, one of our key commodities, we have a particularly strong connection at the farm level. Our dedicated Coffee Fund looks to nurture the next generation of smallholder coffee entrepreneurs in Northern Peru. Whilst it is not specifically orientated towards human rights, our partnerships with NGOs in situ means we have oversight of what is happening on the ground and so can be alerted to risks.

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# Identification of Risk

Pret recognises that certain aspects of our business and supply chains carry heightened risk of modern slavery occurring. Pret understands that the risk of modern slavery is elevated among vulnerable groups, as well as across certain geographies and sectors. We aim to build upon our country-of-origin data for fresh produce through the introduction of a more formalised and Pret-led supply-chain mapping exercise.

Pret has identified sub-contracting as a high-risk practice and suppliers are contractually bound to seek Pret approval before any sub-contracting is permitted to take place. Fresh produce supply is another area where Pret is aware of the need to be especially vigilant. We have close relationships with our suppliers, most of whom we have worked with for over five years and some with whom we have grown over the last 10 years or more. As part of our ongoing Modern Slavery Act review process, we engaged with a select group of our largest suppliers so we could understand their risk identification processes and to ensure we are able to collaboratively identify, mitigate and manage the risks of modern slavery.

# Next Steps

Pret is committed to doing business responsibly. As part of this, we are taking meaningful steps to ensure we have the policies and processes in place to reduce the risk of modern slavery occurring in our direct operations and our supply chains. We have decided to focus on four key areas going forward:

1. Standardisation and creation of policy architecture across all Pret markets
2. Formalisation of due diligence processes, in part through the introduction of ethical visits and a deepened relationship with Sedex
3. Introduction of systemised internal training opportunities for employees (and suppliers) focused on modern slavery. These should be tailored to certain markets
4. Formulation of KPIs to monitor our progress and better understand the effectiveness of steps we have taken to manage modern slavery risks.

Pret A Manger's 2016 Modern Slavery Statement was prepared by the Pret Modern Slavery working group and approved by its Chief Executive Officer.

Signed



C E B Schlee

CEO, Pret A Manger

May 2017