

Bannatyne

Bannatyne Group PLC

Modern Slavery Act Statement 2017

4 April 2018

1. Introduction

This Modern Slavery and Human Trafficking Statement has been published in accordance with the Modern Slavery Act 2015 and relates to actions and activities during the financial year 1 January 2017 to 31 December 2017.

The statement sets down The Bannatyne Group plc's ("**Bannatyne**") commitment to preventing slavery and human trafficking in our business activities and the steps we have put in place with the aim of ensuring that there is no slavery or human trafficking in our own business and supply chains. We all have a duty to be alert to risks, however small. Staff are expected to report their concerns and management to act upon them.

2. Organisational structure and supply chains

This statement covers the business activities of Bannatyne which are as follows:

Company Structure

The Bannatyne Group plc is a public limited company under the Companies Act 2006. The Bannatyne Group plc's subsidiaries are as follows:

- Bannatyne Fitness Limited, a private limited company with company number 03287770
- Bannatyne Fitness (2) Limited, a private limited company with company number 07674830; and
- Bannatyne Hotels Limited, a private limited company with company number 03271621.

Business activities

Bannatyne is a hotel, health and fitness business, which also includes spa facilities. Bannatyne has over 3,200 employees, working across 71 health clubs and spas, 4 hotels and its Head Office in Darlington.

Supply chain

In the financial year ending 31 December 2017, Bannatyne received a variety of goods and services from over 1,000 suppliers and spent approximately £59m. These suppliers fall into three distinct categories: our small suppliers (being those with whom we spend less than £10,000) our key suppliers (being those with whom we spend over £10,000 for goods and services, and our strategic suppliers (being those whom we spend between £100,000 and £5m).

Suppliers are required to sign up and adhere to Group supply terms, which incorporates this policy.

Practices that we expect from all those that we work with are that they and all their employees comply at all times with all applicable law, which includes, but is not limited to, compliance with the Modern Slavery Act 2015.

Bannatyne spent approximately 98% of its total supplier spend in the financial year ending 31 December on its key and strategic suppliers.

The Company currently operates in the following countries: the United Kingdom

High Risk Activities

We routinely review our supply chain and determine those we believe to be at high risk of slavery or human trafficking in their supply chains. We evaluate the level of risk by reference to a variety of factors including a supplier's geographical location and the services or goods supplied. We have classified the majority of our suppliers to be low risk whilst some are higher risk e.g where clothes or textiles are produced abroad.

Responsibility for the Company's anti-slavery initiatives is as follows:

- **Policies:** the Group Legal Director is responsible for creating and reviewing policies. The process by which policies are developed is by looking at best practice, seeking professional advice and adapting to the needs of the Company.
- **Risk Assessments:** the Chief Financial Officer is responsible for risk assessments in respect of human rights and modern slavery by a process of reviewing and implementing controls to mitigate the risk of slavery and human trafficking taking place in our supply chain.
- **Due diligence:** the Group Supply Chain Manager is responsible for due diligence in relation to known or suspected instances of modern slavery and human trafficking and reporting any concerns to the Chief Financial Officer.

3. Training

To ensure a good understanding of the risks of modern slavery and human trafficking in our business and supply chains, the Company is in the process of creating an online training and learning platform which shall be launched in Spring 2018 and shall require all staff to complete an online training course on Modern Slavery. The Group Learning & Development Manager is responsible for ensuring compliance and reporting any concerns to the Group Legal Director.

4. Policies

The Company is committed to ensuring that there is no modern slavery or human trafficking in our business or our supply chains. This Statement affirms its intention to act ethically in our business relationships.

The following policies set down our approach to the identification of modern slavery risks and steps to be taken to prevent slavery and human trafficking in our operations:

- **Whistleblowing Policy** - the Company encourages all its workers, customers and other business partners to report any concerns related to its direct activities or its supply chains.
- **Employee Handbook** - The Employee Handbook sets down the actions and behaviour expected of employees when representing the Company.

- Supplier Terms & Conditions - The Supplier Terms & Conditions sets down the actions and behaviour expected of suppliers when providing goods or services to the Company.

5. Due Diligence Processes for Slavery and Human Trafficking

The Company undertakes due diligence when considering taking on new suppliers, and regularly reviews its existing suppliers. The Company's due diligence process includes: building long-standing relationships with suppliers and making clear our expectations of business partners, evaluating the modern slavery and human trafficking risks of each new supplier, testing compliance through periodically sending suppliers questionnaires and invoking sanctions against suppliers that fail to improve their performance in line with an action plan provided by us, including the termination of the business relationship.

Performance indicators

The Company uses the following key performance indicators (KPIs) to measure how effective we are in ensuring slavery and human trafficking is not taking place in any part of our business or supply chains including:

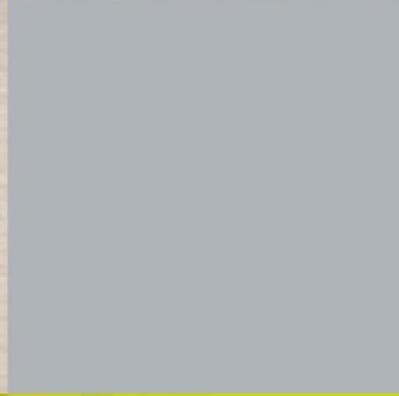
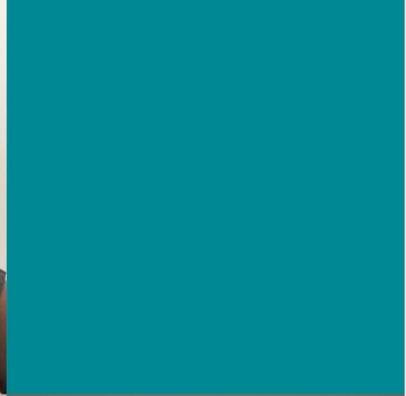
- Percentage of suppliers who were sent a questionnaire.
- Percentage of suppliers who completed and returned the questionnaire.
- Percentage of the staff who are trained on slavery issues in the supply chain.

This Modern Slavery and Human Trafficking Statement will be regularly reviewed and updated as necessary. The Board of Directors endorses this policy statement and is fully committed to its implementation.

This Modern Slavery and Human Trafficking Statement has been approved and authorised by:



Group Legal Director & General Counsel (Solicitor)



Bannatyne Group

