

Blades Restaurants Limited

About Blades Restaurants Limited

Blades Restaurants Limited is a joint venture between Jerry Nicholls and McDonald's Restaurants Limited and operates a group of franchised McDonald's restaurants in Nottingham. Blades Restaurants was founded in 2008 with the purchase of 1 restaurant. The business has subsequently grown to 11 restaurants operating under the leadership of our Managing Director, Jerry Nicholls. As a McDonald's franchisee we operate our business based on the McDonald's Corporation philosophy of being consistent in all that we do, providing great service and high quality food to our customers. The McDonalds Corporation together with McDonalds, franchisees including the Company and suppliers are referred to herein as the "McDonalds System". Our business strategy is aligned to the wider McDonalds system. As a McDonald's franchisee we rely on, and benefit from, McDonald's performing many business disciplines that would typically be the responsibility of a large business. These include, but are not limited to, supply chain, marketing, communications, and restaurant development.

Our Employees

We are committed to our people as they are key to our continued success. Our employee strategies aim to create an environment grounded in diversity, equality and inclusion whilst continually evaluating and evolving compensation programmes. We work hard to create opportunities for all our people. We believe that a team that is well trained with diverse backgrounds and experiences, working together in an environment that fosters respect and drives high levels of engagement, is essential. Understanding how our people feel about McDonald's is vital. It helps us ensure that we are giving them the right support to achieve their potential. We have a dedicated people team who train and look after our staff. We also undertake quarterly surveys and with all our restaurant staff and managers to drive the conversation about how they feel at work.

Our Customers

We place the customer experience at the core of all we do. Our customers are the reason for our existence. We demonstrate our appreciation by providing them with high quality food and superior service, in a clean, welcoming environment, at great value. We are a learning organisation that aims to anticipate and respond to changing customer and employee needs through constant evolution and innovation.

Our Suppliers

Long-term commitments with our suppliers have enabled them to grow with us and drive positive change within their own businesses. The company recognises that relationships with suppliers are important to its long-term success and there are feedback mechanisms in place to support this.

Communities And Environment

The director carefully considers the impact of the business on communities and the environments in which the Company operates. We collect litter in the local areas around our restaurants and collaborate with local councils to help maintain litter control. Recycling units are installed around our restaurants and our paper cups are sent to specialist recycling centres in the UK. Our new paper straws are now 100% recyclable. Our cooking oil is recycled to convert it to bio diesel. We are aware of our responsibility in this area, and will see the introduction of more initiatives. In line with the government's streamlined energy and carbon reporting requirements we are required to report our organisation's carbon emission. We have set this year as our baseline year and reported our total emissions using the financial control boundary. Business conduct in all our activities the director requires that our employees and suppliers conduct business with the highest ethical and professional standards by adhering to our Standards of Business Conduct set by McDonald's Corporation.

Statement Of Corporate Governance

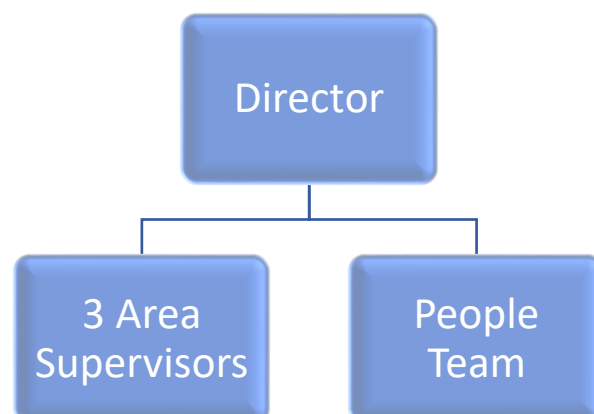
The Company is owned and controlled by a single director. By reference to the Corporate Governance Guidance and Principles for Unlisted Companies in the UK, published by the Institute of Directors, the director has established a framework of company processes and attitudes that add value to the business, help build its reputation and ensure its long-term continuity and success. This framework aligns with the business system and processes established by the franchisor and contributes to the continued success of the company and it does this through:

- Annual business planning to set out goals and objectives in key areas such as financial and people for each of the restaurants.
- Quarterly review of each restaurants business plan which is updated accordingly.
- Discussions with 3 area supervisors and other members of the senior management team on industry trends.
- Internal and external auditing through the year in key operational areas, food safety, health and safety and people.
- Evaluating strategic proposals and considering how these will support and strengthen components of the business model.
- A policy of continuous identification and review of principal business risks, including Identifying key and emerging risks, determining control strategies and considering how those risks may affect the achievement of business objectives.
- The director assessed a number of potential acquisitions and investments with a view to enhancing the Company's offering to customers. In assessing these opportunities, the director had regard to strict financial criteria. In 2021 another restaurant was purchased opening in December.

At its heart, the purpose of Blades Restaurants is to be our customers' favourite place to eat. We aim to do this in a responsible way and to do the right thing by our employees, our customers, our suppliers and our wider stakeholders.

Governance Framework

The governance framework is set out below. The Director believes that it facilitates the operation of an open and straightforward culture without complex hierarchies and over delegation of responsibilities. There have been no new director appointments through the year.



Culture

The director is responsible for ensuring a healthy and supportive culture within the Company. We monitor this through direct employee engagement activities and discussions with the area

supervisors, the people team and other members of management. We assess and monitor this in the following ways:

- Dedicated time at meetings to hold discussions on culture and employee/workforce matters.
- Reviewing the results of the Restaurants employee engagement surveys.
- Monitoring the levels and nature of whistleblowing reports and grievance and disciplinary hearings.
- Monitoring absenteeism and employee turnover.
- Reviewing onboarding and training policies and practices.
- Engaging with employees directly during site visits.
- Overseeing management's plans to respond to matters raised by the workforce.
- Reviewing both McDonald's and Blades Restaurants key policies and HR initiatives.

Our Whistleblowing Policy encourages workers to report concerns or suspicions about any wrongdoing or malpractice, and provides a number of ways to do this, including via a confidential E-mail and phonenumber which is managed by the people team. As a Company we also strive, through our own behaviours, to set the tone from the top in conducting ourselves appropriately and in line with our values. The actions taken by the Company and director in response to the COVID-19 pandemic demonstrated the strength of the culture of doing the right thing that permeates through the Company.

How We Manage and Monitor Risk

At Blades Restaurants, we seek to maintain our high standards set by McDonald's Corporation whilst balancing the risks and are committed to conducting business ethically and in compliance with the letter and spirit of the law. Further we strive to foster safe, inclusive and respectful workplaces wherever we do business and respect the fundamental rights of Blades Restaurants employees, which are: freedom from slavery and child labour; freedom to associate or not associate and collectively bargain; equal opportunity for everyone; a safe and healthy workplace; and freedom from discrimination and harassment. In 2020 we rolled out anti-bullying, harassment and discrimination training for all our employees and managers. All of Blades Restaurants activities involve the measurement, evaluation, acceptance and management of risk or combinations of risks. All of our employees are responsible for the management of risk, proportionate to the relevant role and level of experience, with the ultimate accountability residing with the Director.

Employment Practices

We conduct our activities in a manner that respects human rights as set out in the United Nations Declaration of Human Rights, and we are committed to ethical recruitment in our employment practices as a component of our overall human rights approach. We prohibit direct or indirect fees or costs being charged to those seeking employment with or who are employed by the Company for the services directly related to recruitment for temporary or permanent job placement, unless legally permissible and within the legal limit. We do not retain an employee's identity document such as passports or work permits, as a condition of employment for longer than 24 hours and only do so for legitimate administrative reasons, including for immigration checks. Blades Restaurants provides any agreements, whether oral or in writing, in a language understood by the person agreeing to be employed. We work hard to ensure that there are no modern slavery or human trafficking issues in our Company. A People Review is carried out by either McDonald's or our People Team as part of our restaurant operations improvement process ("ROIP"). The ROIP is a comprehensive assessment of our restaurants to ensure guidance, including on modern slavery practices, is being followed as intended. McDonald's frequently audit our suppliers to ensure their employment practices are suitable and in line with McDonald's employment standards. This is done with a particular focus on construction labour and delivery drivers and riders at our third-party

operators. Our restaurant staff are told to report any concerning or suspicious behaviour that may suggest a third party is a potential victim of, or engaging in, modern slavery.

Section 172(1) Statement

The directors believe they have acted in a way they consider, in good faith, to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Companies Act). The success of the Company is the driving factor behind the decisions made by the Directors. Decision making processes are structured to enable the Directors to evaluate the merit of proposed business activities and the likely consequences of its decisions over the short, medium, and long term.

Disclaimer – the above statement has been prepared by the director of Blades Restaurants Limited and is not an approved statement from McDonald’s Restaurants Limited.