

## Marston's PLC

### Slavery and Human Trafficking Statement

19 January 2021

This year our trade has been significantly impacted by the Covid-19 pandemic resulting in many of our pubs being unable to open or operating under restrictions. The larger breweries which were part of our company in 2020 stayed open, supplying bottled and canned beer to the supermarkets and independent retailers, and barrelled beer to the licensed trade when able to do so.

The pandemic has impacted our ability to audit food suppliers most of whom were closed or had restricted access to their sites to all but essential workers.

Since 2016, Marston's has published an annual Modern Slavery Statement outlining the Company's actions to mitigate modern slavery risk during the year and future improvements. There are significant challenges and complexities associated with diverse, global supply chains such as our own. It is our responsibility to gain a deep understanding of how our goods and services are produced and delivered, and act to ensure they are sourced ethically and without exploitation of vulnerable persons.

The Modern Slavery Act 2015 (the "Act") has created an opportunity for large organisations to play a part in reducing the exploitation of people around the world. The economic benefit of a global supply chain carries with it a responsibility to consider how goods and services are created and delivered without the exploitation of vulnerable persons. Marston's is committed to respecting the human rights of our employees and everyone with whom we interact.

It is our responsibility to identify and address potential or actual human rights infringements linked to the products and services we provide.

We uphold our suppliers to the same standards as we apply to ourselves.

#### Our Business ([www.marstons.co.uk](http://www.marstons.co.uk))

Marston's is a UK based pub company operating over 1,300 pubs and lodges.

In October 2020 Marston's entered into a joint venture with Carlsberg UK to form *Carlsberg Marston's Brewing Company* ([www.carlsbergmarstons.co.uk](http://www.carlsbergmarstons.co.uk)). All of Marston's brewing and distribution of drink business was moved into the joint venture at that point, as well as its drinks wholesale business and the selling of drink to national accounts. With the exception of beer exportation, all of these activities were within the UK.

Now a focused pub company Marston's key business objective is to keep "Guests at the heart of everything we do":

- (1) **Being Guest Obsessed** – including the engagement and enablement of our employees;
- (2) **We Raise the Bar** – including operational excellence;
- (3) **We will Grow** – including more guests.

Our strategy on a range of corporate responsibility matters, including the protection of workers, is related to these business objectives, recognising how important these issues are to long term sustainability and success.

### Our Supply Chain Structure

Marston's purchases goods and supplies almost exclusively from the UK or from European companies, albeit many of these goods and products originate from across the world.

In total we have over 2,000 suppliers ranging from multi-national companies, including drinks companies operating globally, to small local companies such as maintenance contractors who service the day-to-day requirements of the pubs.

We favour single-supplier agreements where practical, because they offer greater efficiency and economies of scale.

The logistics for the supply of goods to our pubs is handled by A F Blakemore & Son Ltd. All the drinks supplied to our pubs is by Carlsberg Marston's Brewing Company, a UK joint venture between Marston's PLC and Carlsberg UK.

Our brewing operations until October 2020, when the joint venture started, included purchases of agricultural produce from within the UK such as malt, sugar and hops. Spirits and soft drinks were acquired from large multi-national businesses, and wine was sourced either directly from the wineries abroad or from intermediaries.

Our pubs are reliant upon a wide range of supplies, including:

- food (chilled, frozen and ambient);
- drink brands (wines, spirits, beers, soft drinks, beverages);
- consumables;
- uniforms and cleaning;
- building materials and furnishings;
- plant and equipment.

We recognise that given this diverse supply chain, human rights issues could arise within the UK or overseas.

Workers' rights are legally protected within Europe, and therefore from a risk perspective we have a reasonable level of expectation that those people employed by our European suppliers are protected by European law from exploitation.

Marston's also sources food, goods and resources from outside Europe e.g. chicken, beef, cooking oil and uniforms. This can be through either a European based company, or alternatively somewhere else in the world. We however insist that all food suppliers, wherever they are based, comply with our Food Supplier Charter and we will arrange a local audit where appropriate.

### Marston's Approach to Modern Slavery

We mitigate against the risk of people working in our pubs and elsewhere in our business from any form of exploitation. Compliance with all aspects of UK employment law is a priority within our business.

Marston's is fully compliant with all aspects of UK employment law, particularly those which protect individuals from exploitation.

These are some of the controls Marston's employs to mitigate human rights risks:

- carrying out identity checks on new workers;
- ensuring that new workers have the right to work in the UK;
- retaining copies of documentation as proof of identity;
- auditing our payroll process.

We risk assess our suppliers considering their industry and geographical location. Three years ago we sent a questionnaire to over 130 of the higher and medium risk suppliers to enquire about how they audited themselves in regard to modern slavery, what steps they have taken to understand their own supply chain, and how they remediate the risk. We also asked what audit evidence they retained.

More recently we have looked to the SEDEX online portal to provide this information within the Self-Assessment Questionnaires that suppliers submit. This work was interrupted by the pandemic in 2020, however we expect to be able to initiate relations with many more of our suppliers within the SEDEX portal during 2021 in order view the information they have provided on a range of ESG matters including employment.

### Supplying Staff to our Premises

#### Agencies

We expect all the agencies we use to comply with UK employment law/practices, and in certain cases we undertake checks on them.

The agencies we use operate within UK employment law when supplying people to work on our premises, which in the past year has included the supply of packaging operatives at our former breweries, drivers of our vehicles, security guards at our former depots, door staff at our pubs, as well as kitchen workers and cleaners.

We continue to form long-term relationships with these agencies so we can improve our understanding of their businesses in order to identify/mitigate against any modern slavery risks.

These long-term relationships allow a greater opportunity for us to understand their business, collect information, and if necessary, to form processes in order to test their compliance to UK employment law.

In the recent past, before the pandemic, agencies who supplied staff to our production and distribution sites were audited twice a year by our HR team. The audit included making direct contact with a random sample of agency staff to confirm their terms of employment.

### Our Expectation of Suppliers

During the tendering of our suppliers we carry out due diligence in order to understand how their employees are treated, and how they source their own services, goods and resources. We also communicate to them how we expect workers to be treated. Marston's expects its key suppliers to follow the Corporate Code of Ethics published by CIPS (Chartered Institute of Procurement & Supply) <https://www.cips.org/en/who-we-are/governance/cips-code-of-conduct/>. Our new food information system in development (Smart Supplier – see below) will ask suppliers to confirm that they work to the Code of Ethics.

The Code sets out the values, business culture and practices which all organisations should adopt. The Code requires a commitment to the eradication of unethical business practices, including bribery, fraud, corruption and human rights abuses, such as modern slavery and child labour.

Responsibility for modern slavery due diligence is that of the contract owner within Marston's. Our Procurement team manage overall compliance to our Procurement Policy, which includes instructions on the conduct of tendering and the gathering of information on suppliers.

We review the Modern Slavery Statements of our higher volume food and drinks suppliers (across all categories of drinks). We contact them where necessary with more specific questions, if not answered in their statements. We contact suppliers if we consider their modern slavery statement content is significantly below the expectation of the Modern Slavery Act in terms of detail, or the statement is non-compliant with the Act. Our new food information system in development, Smart Supplier (see below), will start to collate copies of all Modern Slavery statements from food and drink suppliers during 2021.

In 2019 we subscribed to SEDEX ([www.sedexglobal.com](http://www.sedexglobal.com)) in order to access their portal containing an ethical database of companies all over the world. In 2020 we began to instruct our senior managers on how the SEDEX portal can be used to gain a greater insight into the operations of our extended supply chain. Work on this was interrupted by the pandemic, however we intend to instruct more of our managers in 2021. Our aim is to use the SEDEX portal to gain a continual insight into our suppliers' employment practices, going beyond what they might publish in their own Modern Slavery Statement. SEDEX will also provide access to a network of international auditors to conduct thorough site inspections.

### **Marston's Food Supplier Charter**

[www.marstons.co.uk/docs/responsibility/food-supplier-charter.pdf](http://www.marstons.co.uk/docs/responsibility/food-supplier-charter.pdf)

We annually review our Food Supplier Charter which communicates the high standards and ethical business practices that must be adhered to by our food suppliers and includes sections on employment practices and modern slavery. The Charter forms part of the trading terms between us and the companies supplying food to our pubs. We carry out audits at suppliers' premises, which include the consideration of whether the standards in the Charter are being met.

Our Charter includes the following statement on labour (page 21):

#### **Forced Labour**

- All work must be conducted on a voluntary basis and free from the imposition of any penalties or sanctions. We absolutely do not agree to purchase any products from any supplier produced through forced, bonded or involuntary labour. We will not tolerate slavery and human trafficking by any of our suppliers for Marston's, or any other purpose, and fully expect our suppliers to take active steps in ensuring the same.
- Suppliers must allow their employees the right to leave after giving reasonable notice. Workers must not be required to lodge deposits or I.D papers unless it is a legal requirement to do so. In all circumstances these must be returned promptly upon cessation of employment.

## Supplier Auditing

We follow an audit programme which is based upon risk and includes site visits to our key food suppliers.

Our food suppliers are audited by an independent consultant. The audit is primarily for food safety purposes; however, the audit programme also includes ethical enquiries, including the risks of modern slavery in the supplier's extended supply chain.

### **Smart Supplier**

In 2020 we began the development of a new food information system called Smart Supplier. As well as keeping detailed information on the food ingredients within the products we buy, the system will also hold information collected from our suppliers on their ethical approach. The supplier will complete an annual SAQ which will include questions concerning employment practices and they will be required each year to upload their modern slavery statement for review by our managers. We intend for this system to go live in 2021.

## Our Policies

Marston's builds and maintains long term relationships with its suppliers, and we are diligent throughout these relationships in understanding their businesses.

**Marston's Procurement Policy** is applicable to all purchases by our employees, managers, senior management and directors regardless of value and includes a statement of our ethical approach. Our Procurement team are responsible for ensuring compliance to this policy.

We aim to eliminate modern slavery within our supply chains. In order to achieve this, we expect our senior managers to verify that our suppliers comply with the following social standards (FREE):

**Fairness** – through employment being freely chosen, statutory wages are paid and working hours are not excessive.

**Rights** – through freedom of association and collective bargaining, rights are respected, and employees are treated with dignity and fairness.

**Ethics** – discrimination is not practised, no harsh or inhumane treatment is used, and modern slavery labour is eliminated.

**Employment** – regularly provided in a safe and hygienic environment and on the basis of recognised employment legislation.

Employees are encouraged to report any wrongdoing, which falls short of these business principles by referring to our [Whistleblowing Policy](#).

## Modern Slavery Policy

The way we address modern slavery is through a number of relevant policies:

- Food Supplier Policy  
[www.marstons.co.uk/docs/responsibility/food-supplier-charter.pdf](http://www.marstons.co.uk/docs/responsibility/food-supplier-charter.pdf)

- Human Rights Policy

[www.marstons.co.uk/docs/Code-of-Conduct.pdf?lhn=1](http://www.marstons.co.uk/docs/Code-of-Conduct.pdf?lhn=1)

- Procurement Policy

### Training

The purpose of the Modern Slavery Statement is explained to our Board, our PLC Exec Committee, the Corporate Responsibility Committee, and the Risk & Compliance Committee.

Marston's has focussed on building capacity to combat modern slavery, embedding a robust approach and raising awareness. We treat this as a continuous exercise, to involve new employees as appropriate.

The Modern Slavery Act has been explained to the managers responsible for our key purchase streams, who have in turn considered the risks of modern slavery in our supply chain, and the appropriate wording of this statement.

Our managers have considered and support our future intentions as stated above so that we may continually improve our approach on this important matter.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year ending 3 October 2020.

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Ralph Findlay (Chief Executive Officer)

MARSTON'S PLC

Marston's Trading Limited

Marston's Operating Limited

Marston's Pubs Limited