

Modern Slavery and Human Trafficking Statement

25 January 2022

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 challenges and complexities associated with such a diverse, global supply chain as our own. It is our responsibility however to maintain sufficient understanding of how our goods and services are produced and delivered, and to act to ensure they are sourced ethically and without exploitation of vulnerable people.

The Modern Slavery Act 2015 (the "Act") 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. Marston's is committed to respecting the human rights of our employees and helping to protect the rights of workers within our supply chain.

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

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

Our Business

Marston's is a UK based pub company operating approximately 1,500 pubs and lodges.

Core pub goal is to operate: "Pubs to be Proud of".

Core Corporate Goal:

'Better than the rest': Consistent market outperformance in both food and wet 'Back to a billion': An aspirational business – £1 billion sales by 2025. Committed to being a responsible and sustainable business.

- (1) **We are 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 the importance of these issues 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 other areas across the world.

We have over 1,000 suppliers, ranging from multi-national companies, including our drinks supplier Carlsberg Marston's Brewing Company which was a partnership established in October 2020.

We also have many small local companies supplying us, such as the 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.

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 can arise either within the UK or overseas.

Workers' rights are legally protected within UK and Europe, and therefore we have a reasonable level of expectation that people employed in these countries are protected by European law from exploitation.

Marston's also sources food, goods and resources from outside Europe, including chicken, beef, cooking oil and uniforms. These products can be purchased through a European based company, or one based somewhere else in the world. We however insist that all food suppliers, wherever they are based, comply with our Food Supplier Charter and we arrange site audits 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.

In recent years we have used the SEDEX online portal to collect information from our suppliers on the employment terms and conditions of their workers. This information is collected from a Self-Assessment Questionnaires that the supplier submits, and within any ethical audit reports which the supplier has uploaded.

Supplying Staff to our Premises

Agencies

We expect all the agencies we use to comply with UK employment law/practices.

The agencies we use operate within UK employment law when supplying people to work on our premises which, in the past year, has included 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.

Our Expectation of Suppliers

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

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 follows the Corporate Code of Ethics published by CIPS (Chartered Institute of Procurement & Supply) <https://www.cips.org/about-us/cips-code-of-conduct>.

Our new food information system (Smart Supplier – see below) asks suppliers to indicate whether they also work to the Code of Ethics, with the option to upload their own code of ethics document.

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.

Corporate Code of Ethics published by CIPS (Chartered Institute of Procurement & Supply)

"Promote the eradication of unethical business practices, by:

- *Fostering awareness of human rights, fraud and corruption issues in all my business relationships.*
- *Responsibly managing any business relationships where unethical practices may come to light, and taking appropriate action to report and remedy them.*
- *Undertaking due diligence on appropriate supplier relationships in relation to forced labour (modern slavery) and other human rights abuses, fraud and corruption.*
- *Continually developing my knowledge of forced labour (modern slavery), human rights, fraud and corruption issues, and applying this in my professional life."*

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 suppliers, and our drinks supplier Carlsberg Marston's Brewing Company. We contact them where necessary with more specific questions, if not answered in their statements. We contact suppliers if we consider their

Marston's subscribes to SEDEX (www.sedex.com), a database of ethical data submitted by companies from across the world. In 2020 we began to engage with our senior managers on how the SEDEX portal could be used to gain a greater insight into the operations of our extended supply chain.

Our aim is to use the SEDEX portal to gain an expanding insight into our suppliers' employment practices, going beyond what they might publish in their own Modern Slavery Statement. SEDEX also provides access to a network of international auditors to conduct thorough site inspections. This year we have collected through Smart Supplier the SEDEX membership details of 50 suppliers, which we'll use to increase the amount of data shared, and to deepen the understanding of any ethical issues within our supply chain.

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.

Marston's Food Supplier Charter

www.marstonpubs.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 Food Supplier Charter includes the following statement on labour (page 26):

"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. The SAQ on Smart Supplier requires a copy of the supplier's modern slavery statement to be uploaded.*
- 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 2021 we implemented our new food information system, Smart Supplier. As well as keeping detailed information on the food ingredients within the products we buy, the system also holds information collected from our suppliers on their ethical approach. The supplier completes an annual SAQ which includes questions concerning employment practices. They are asked each year to upload their modern slavery statement for review by our managers.

During the pandemic the ability to audit food suppliers was impacted, many of whom at times have had restricted access to their sites to all but essential workers.

Our Policies

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

- Food Supplier Policy
www.marstonpubs.co.uk/docs/responsibility/food-supplier-charter.pdf
- Human Rights Policy
www.marstonpubs.co.uk/docs/Code-of-Conduct.pdf?lhn=1
- Procurement Policy
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 expect our suppliers to operate in compliance with the CIPS Corporate Code of Ethics (see above).
- Whistleblowing Policy:
www.marstonpubs.co.uk/docs/Code-of-Conduct.pdf
Employees are encouraged to report any wrongdoing, which falls short of these business principles

Training

The purpose of the Modern Slavery Statement is explained to our Board, our PLC Exec Committee, the ESG 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.

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 2 October 2021.

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Andrew Andrea (Chief Executive Officer)

MARSTON'S PLC

Marston's Trading Limited

Marston's Operating Limited

Marston's Pubs Limited