

MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT

23 January 2023

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 legislation balances the economic benefit of a global supply chain with the responsibility to consider how goods are produced and services are provided, and how people at risk of exploitation can be identified. Marston's fully supports the intention of this legislation and is committed to respecting the human rights of our employees, and to seeking to further our understanding of the employment conditions of workers within our supply chain.

Each year since 2015 Marston's has published a Modern Slavery Statement outlining our actions taken to mitigate modern slavery risk and explain current and future improvements. There are many challenges associated with such a diverse, global supply chain as our own. Current economic conditions, including spiralling inflation and a tightening labour market during 2022, as well as additional energy costs and the cost-of-living crisis, have all intensified the commercial pressure on hospitality businesses. It is our responsibility however, to maintain the appropriate understanding of how the goods we buy, and the services we receive, are delivered ethically, without the exploitation of vulnerable people.

Our Business

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

Our vision is to operate: “**Pubs to be Proud of**”.

Core Corporate Goals:

Better than the rest – consistent market out performance.

Responsible business – committed to being a responsible and sustainable business.

“**Back to a Billion**” – our two £1 billion financial targets:

- achieving sales of £1 billion;
- reducing net debt, excluding IFRS 16 lease liabilities, to below £1 billion by 2026.

Strategic Priorities:

- (1) **We are Guest Obsessed** – investing in our guest journey and insight, systems and processes supporting guest-led decisions;
- (2) **We Raise the Bar** – continuous improvement and operational excellence, delivered by investing in our people, improving reward and recognition and investing in our employees' engagement;
- (3) **We will Grow** – effective capital expenditure, evolution of our pub partner agreements, development of our digital agenda and creating a stronger sales culture.

“Doing more to be proud of”

We are passionate about delivering our ESG and sustainability strategy: “Doing more to be proud of”. Whilst there is still more to do, we believe we can make meaningful contributions to all our stakeholders, from cutting carbon emissions and tackling food waste, to caring for our people and encouraging them to grow, and supporting the communities in which we operate.

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 small, local businesses such as maintenance contractors to multi-national companies, including our drinks supplier Carlsberg Marston's Brewing Company which was a joint venture we set up with Carlsberg UK in October 2020.

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

The logistics for the supply of food 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 could 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 our 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 to identify and mitigate modern slavery risks. We understand the value in furthering our understanding about how agencies recruit their staff, including any practices they may have for recruiting people from overseas to work in the UK.

Our expectation is that the agencies we use are bound by our terms and conditions. We expect our suppliers to be in effect an extension of ourselves, displaying our values and behaviours.

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. These relationships allow a greater opportunity to understand their business, collect information, and if necessary, to form processes to test their compliance to UK employment law.

During the tendering of our suppliers, we carry out due diligence to understand how their employees are treated, and how they source services 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 food information system (Smart Supplier – see below) asks all food suppliers to indicate whether they work to a Code of Ethics, with the option to upload their own Code to our system.

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

Our Food Supplier Charter includes the following statement on labour (page 27):

“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.”*

Responsibility for modern slavery due diligence is that of the individual “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 food suppliers, and our drinks supplier Carlsberg Marston's Brewing Company. We contact our suppliers 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.

Marston's subscribes to SEDEX (www.sedex.com), a database of ethical data submitted by companies from across the world. Two years ago, 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 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. By collecting in the SEDEX membership details of our suppliers within our food information system (Smart Supplier) we have increased the number of supplier sites sharing their ethical data from less than 20 a year ago to 79.

Our goal is ultimately to engage with all our suppliers through SEDEX and communicate to them all that it is a requirement to join SEDEX to supply our business. During 2023 we will extend the invitation to all high-volume suppliers, with particular focus upon sectors deemed a higher risk.

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.

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 (currently LRQA). 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.

For some foreign supplier sites there can exist a delay between the start of a contract and when a site audit can be arranged through a local auditor. We endeavour to minimise this delay so that the level of compliance to our Food Supplier Charter can be measured as soon as reasonably possible.

Smart Supplier

Two years ago, we implemented a 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 and whether they are a member of SEDEX. They are asked each year to upload their modern slavery statement for review by our managers.

Now all our food suppliers are on Smart Supplier we have turned our attention to our drinks suppliers to provide the detailed knowledge we require on their ingredients.

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
<https://www.marstonpubs.co.uk/docs/policies/human-rights-policy.pdf>
- 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:
<https://www.marstonpubs.co.uk/docs/policies/whistleblowing-policy.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 members of our Senior Leadership Team responsible for ESG, 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 our 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.

Andrew Andrea

Chief Executive Officer

MARSTON'S PLC

Marston's Trading Limited

Marston's Operating Limited

Marston's Pubs Limited

Marston's Estates Limited