MARSTON'S

# Drinks Supplier Charter

# Contents

# INTRODUCTION

## Shared Good Times

**Marston's is a leading pub business with an estate of over 1,300 pubs, supported by our employees and Pub Partners, and our vision is to be the UK's leading Local Pub Company. Our Purpose is to offer our guests the best experience and locations for Shared Good Times. This is underpinned by a clear strategy to create a high-margin, highly cash-generative model based on differentiated formats and a brand portfolio that is naturally balanced to appeal to a range of consumers.**

Our strategy is centred around five key value drivers, enabling us to deliver on our long-term target of becoming the UK's leading local pub company.


Our strategy and business model are underpinned by three core enablers which support and help drive our strategic priorities and reflect Marston's unique culture and how we operate responsibly and ethically:

**Powerful supplier partnerships > Performance driven teams > Safely and sustainably operating the business**
Guests visiting our pubs are looking for great experiences, which are formed from the foundation of strong standards. Consistent delivery of our key drivers, alongside product quality and speed of service are critical to Marston's. Without delivering on these, great experiences simply cannot be served.

When these key drivers are delivered by our teams, we see the rewards through making our guests feel welcome, relaxed and as though they are in a home from home. As our supplier, you and your products are critical to us in delivering our strategy and making Marston's the UK's leading local pub company.

Marston's has built a proud reputation for providing quality products at competitive prices to our guests. We strive to build a loyal, innovative and trusted supply base, through building partnerships with suppliers who share our values and maintain high standards and ethical business practices.

The Marston's Drinks Supplier Charter ("Charter") forms part of the trading terms and the contract between Marston's and our suppliers. This document details the sourcing policies, pre-requisite standards, conditions of supply and product requirements that all suppliers to Marston's and their products must comply with at all times. The Charter is relevant to all potential suppliers to Marston's, be they manufacturers, wholesalers, importers, traders or agents. It applies to finished products and the ingredients used within each of those products.

Companies are increasingly being scrutinised by consumers and regulators on the environmental and human rights impacts of their operations and supply chain. Marston's is no different in wanting to ensure we meet those expectations and legal requirements.

Marston's Equality, Diversity & Inclusion Policy extends to our suppliers and promotes supplier diversity, inclusive procurement and a safe and inclusive work environment. Our policy reinforces our commitment to equality, diversity and inclusion, and to having a truly representative workforce where every member of our team, every guest and every supplier feels respected, valued and able to be their best.

Marston's uses an independent audit provider to complete risk-based audits on our supply base so that we can ensure the products we serve to our guests are safe, legal and comply with the standards covered in this Charter.

All details from our drinks suppliers must be updated every three years, or as required if there is a change in the information held on the product information database. This may be an approved change in recipe, raw material, or any personnel changes and contact details. Product information is captured on Smart Supplier. Marston's may ask suppliers to review specific sections of information (e.g. People details) throughout the year and may request additional information as the Regulatory framework changes.

# PROCESS OF ENGAGEMENT & SUPPLY

## Initial Engagement

Before any supplier can supply Marston's, they must be approved by our Technical Team. On initial discussion with Marston's Purchasing and Category management team, a new supplier will be asked to confirm that they will comply with our Supplier Charter and conditions of supply. Suppliers, including agents and brokers, will also be asked to provide a copy of their current BRC, or equivalent certificate and report. The information must be shared for the point of product manufacture or distillation and bottling.

## Innovation

It is expected that suppliers will contribute to an active innovation programme, providing a pipeline for future growth. We encourage working confidentially to the mutual benefit of Marston's and the contributing supplier to ensure that Intellectual Property is protected at all times.

For the avoidance of doubt, unique ideas or innovations generated as a result of discussions between Marston's and the Supplier remain the property of Marston's. We would expect exclusivity agreements for an agreed period of time on ideas or innovations that a supplier brings to Marston's before they can exploit it elsewhere. This is mutually beneficial for growing our businesses together.
Suppliers are encouraged to bring new innovative products to Marston's attention through discussion with the Purchasing or Category management team as soon as they are available.
Any product names presented to Marston's should be compliant with all food & drink labelling regulations from first product presentation. See also Trademarking of Product Brands in the Product Specification section.

## Smart Supplier

Marston's is required to provide allergen information for any food or drink item we sell at point of purchase if asked by a guest (EU Provision of Food Information to Consumers' Regulation No.1169/2011). Marston's uses Smart Supplier to collate and manage this information from suppliers. Products cannot be sold in Marston's pubs until the necessary product brief has been completed and approved within the Smart Supplier system.

Smart Supplier connects suppliers and Marston's business users, enabling them to manage the supplier product lifecycle. The platform supports the business process from the initial discussions and flows, all the way to when a product is fully approved for listing.

Smart Supplier has been independently reviewed and is primary authority assured, providing a high degree of due diligence in relation to allergen information.

All suppliers shall have an account created on Smart Supplier by Food Alert. Once connected to Marston's account, the supplier shall have a 'pending' supplier approval status.

After the supplier is set up, they will have access to the system 'User Guide' in the Policy Document. The supplier shall be responsible for completing all Company details, certifications, sites, users, SAQ (Appendix 1) and accept Marston's Policy Documents (this Charter).

The supplier will then be responsible for adding any additional users to the system and keeping it updated with the latest information. This is important to ensure that Marston's can stay connected with the supplier.

Once the new supplier has been connected to the Marston's account, the risk rating will be visible. The risk rating will update once the supplier has completed the Certifications and SAQ and has accepted this Charter. In addition, the risk rating is impacted by areas such as third-party accreditation and specification accuracy. Marston's Technical Team will review the information supplied and either approve or reject the supplier. A discretionary modifier can be applied to the risk rating of a supplier where they fall short of Marston's

requirements but may be working towards achieving them. Marston's Technical Team will use the risk assessment outcomes to advise Procurement and the Drinks Team as to whether they should use the supplier.

In line with HMRC's scheme to tackle alcohol fraud, all suppliers of alcohol must have approval on the Alcohol Wholesaler Registration Scheme (AWRS). Marston's will request the AWRS Unique Reference Number (URN) and check the approval status of suppliers periodically to ensure wholesalers remain approved for AWRS.

## Business Continuity

Marston's suppliers may be required to provide evidence of their continual supply chain risk management and commitment to the continuation of supply. This can be provided in the form of business continuity plans, disaster recovery plans or other available evidence.
In some instances, business critical suppliers will be subject to a Business Continuity audit carried out by internal auditors at no cost to the supplier.

## Product Quality – Perfect Serve

In our mission to create memorable and meaningful experiences for our guests, we cannot underplay the importance of consistent service and product quality. Our teams play a key role in delivering this to our guests through perfectly served and presented drinks. However, we also put our faith in our drinks suppliers to ensure the ongoing quality and consistency of the products they are producing and that we stock within our pubs and bars.

Our primary aim is to ensure we have confidence in the products going into our businesses, alleviating pub complaints and enabling our teams to focus on amazing execution. This is achieved by working in partnership with suppliers that meet the high standards set out in this Charter. As part of our supply base, you are critical to the success of overall drinks quality within our pubs and bars.

# NEW SUPPLIER APPROVAL

## New Supplier Approval

Before any supplier can supply to Marston's they must be approved by our Technical Team, which will involve completion of the SAQ on Smart Supplier and agreement to work to the standards in this document.

No supplier agreement, contract, document, letter or any other attachment to an e-mail should be taken as a legally binding commitment by Marston's unless it has been approved in writing by Marston's Technical and/or Legal team. Suppliers must keep all supply agreements and arrangements with Marston's confidential, including but not limited to, pricing and terms. Such confidential information must not be released to any third party without the prior written consent of Marston's.

## Pre-requisite Standards for Drinks Suppliers

The minimum requirements for supply to Marston's are detailed below:

- Certification to Global Food Safety Initiative (GFSI) Standard e.g. BRC Grade A / IFS Higher / ISO 22002-1:2009 – all of which include the requirement for a HACCP (Hazard Analysis Critical Control Point) based food safety system.
- Smart Supplier does not accept ISO9001 or ISO1400 as a valid certification as these relate to quality and environmental standards respectively. Although equally important they do not measure the safety controls in place.
- Where certification does not achieve a BRC Grade A, Marston's Technical Team should be notified so that practical steps can be taken to mitigate risk to the business and in some cases may mean supply is not possible.
- Where possible, please provide site/branch information address for ingredients contained within the product i.e. grapes/vineyard information.
- Importers and traders – suppliers acting on behalf of manufacturers not under their direct control must ensure that the production sites conform to GFSI Standard and provide supporting evidence. Again, BRC Grade A or higher is expected of the manufacturers supplying the importers and traders, and Marston's reserves the right to audit manufacturing sites used by importers and traders.
- Suppliers must notify Marston's of any change in certification grade below the BRC Grade A standard.
- Suppliers must give Marston's advance notice of any change in production address/facility. No less than 8 weeks' notice should be provided.
- In exceptional circumstances, by prior agreement, certification to Safe & Local Suppliers Association (SALSA) for small, regional suppliers is acceptable. This also has a HACCP requirement.
- Conformance to the Marston's Supplier Charter (i.e. this document), which will be acknowledged on Smart Supplier.
- We expect our suppliers to follow the Corporate Code of Ethics published by CIPS (Chartered Institute of Procurement & Supply). The code sets out the values, business culture and practices which all organisations can adopt. The code requires a commitment to the eradication of unethical business practices, including bribery, fraud, corruption, money laundering and human rights abuses, such as modern slavery and child labour.
- Full compliance with all relevant food legislation e.g. food additives, novel food, food labelling, food flavours and colours.
- Where applicable, animal welfare policies and evidence of compliance throughout the supplier's supply chain.
- Suppliers must be able to provide evidence supporting menu claims such as provenance, sustainability, Fairtrade, vegetarian, vegan, nutrition, health and allergen data.

- Meet agreed specifications at all times. If a supplier becomes aware they can't then they should immediately notify Marston's prior to any changes being made.
- Marston's may share data with suppliers from time to time. Suppliers are expected to treat all data as sensitive unless explicitly advised otherwise. Suppliers must not handle or store our employee or guest data without our approval. Every effort must be made by our suppliers to protect all data and information they handle, control or maintain. Suppliers must take steps to protect the confidentiality, integrity and availability of the data wherever it may be. Suppliers must advise Marston's immediately should a suspected data breach take place.

# SHARED RESPONSIBILITY

## Safe and sustainable business

We remain committed to operating a safe and sustainable business by adopting a People and Planet positive approach for our People, Pub Partners, Guests, and the Communities we serve. Our sustainability approach aims to ensure we are a responsible and resilient business through identifying, assessing and managing our environmental and social impacts. As a local pub company, with a national reach, we're uniquely placed to help make and shape positive change for all our stakeholders, including the planet, our most fragile stakeholder.

In 2024, we revisited our sustainability strategy to ensure it remains connected to the core of what we do, while supporting the Company's vision and purpose. Our People strategy and commitment to operating Safely and Sustainably are two of the three key enablers and we remain committed to doing more in our four priority areas: Planet, People, Product and Policy. These priority areas, or '4P's', are the central thread of our sustainability strategy with a clear connection to our purpose and where we believe we can have the biggest impact.

The targets for each of our 4 P's are championed and implemented by senior leaders responsible for each pillar and reflect our core values and strategic priorities, whilst being underpinned by strong policy – that is, good governance, risk management processes and stewardship.

To help ensure proper stewardship and accountability, our Board and Executive Committee retain oversight of our sustainability strategy and ultimate responsibility for attainment of our targets and climate-related risks and opportunities.

READ MORE IN OUR IMPACT REPORT: https://www.marstonspubs.co.uk/responsibility/

## Planet

- We reduce our environmental impacts
- Target to achieve Net Zero by 2040
- Environment: reduce energy costs through efficiency.
- Waste: avoid landfill tax by maintaining our Zero Waste to Landfill status.
- Cleaner energy: Opportunity to take advantage of new technologies to attract customers. Installation of electric charging points in our pub car parks to encourage visits.

## People

We invest in our people

- People retention and development: ability to attract and retain staff. We partner with suppliers who share our values.
- Sourcing / ethical Issues: adverse publicity from food ingredient sourcing issues and employment practices used in global food supply chains.
- Community: the success of our community pubs is dependent upon the support we receive within the surrounding area. We celebrate our local communities and the local pub is recognised as vital in bringing people together.

## Product

We care about our guests' wellbeing

- Food safety: we understand the value of our guests' trust in the safety of the food we provide. Safety is at the heart of our pub operations.
- Health and nutrition: nutritional choices are still a priority for many customers.
- Allergen information: safer choices by our customers.
- Continual need to innovate our offering to guests: keeping our guests safe, and providing healthy choices, while at the same time continually attracting interest and enjoyment.

## Policies

- Governance of our business: ensuring compliance with legislation, protecting and enhancing our reputation.

# SOURCING POLICIES

## Full Specification

The Product specification requires a wide range of attributes to be completed. The full list of attributes is provided as part of Smart Supplier training, and includes:

- Ingredient Specification – to include country of origin.
- Full allergen and dietary information.
- Analytics – Micro and chemical standards.
- Packaging details – to include primary, secondary and tertiary layers.
- Depending on information included in the specification, additional mandatory attachments may also be required (e.g. RSPO certification).
- Suppliers are responsible to keep product specification under review. As per BRC standards, specification reviews shall be sufficiently frequent to ensure that data is current or at a minimum every three years taking into account product changes, suppliers, regulations, changes with vintages and other risks.

## Business Rules & Validation

In Smart Supplier there are business rules that need to be met by the supplier so that we are able to validate our policies and these must be completed before the supplier is able to publish the specification:

- Marston's policy documents must be accepted.
- Southampton Six colours must be 'no'.
- GMO must be 'no'.

All the above rules are discussed in more detail throughout this Charter.

The Technical team will look to approve or reject any validation exclusion. These include areas such as sugar target claims, allergens, ESG and nutritional information.

## Nutritional Information

- Marston's requires nutritional information on all drinks regardless of whether there is a legal requirement to do so. The preference is for product specific nutritional data, however where that is not available Smart Supplier Policy section provides reference category figures from McCance and Widdowson.
- Energy values will be automatically calculated from the sum of protein, carbohydrate, alcohol and fat figures on Smart Supplier.
- The system has an auto calculation for nutritional alcohol value from the ABV field.
- Marston's complies with legislation that will require calorie values to be printed on menus for soft drinks and low & no alcohol drinks.

## Allergen Information

- As per the EU Provision of Food Information to Consumers' Regulation (No.1169/2011) all food businesses must provide accurate information about allergenic ingredients used in food.
- Marston's requires its suppliers to provide such information on all products. Questions on intolerance information must only ever be answered "Contains" or 'Does not Contain' on Smart Supplier. The answers should reflect the direct ingredients used in the recipe of the product, not what could be present as a result of cross contamination.
- If a supplier selects 'May Contain' as an option, they must be able to supply their risk assessment and be willing to discuss this with the Marston's Technical Manager so that a decision can be made on whether the allergen is reported as a 'yes', 'no' or 'may' on reports.

## Finings & Processing Aids

- When completing allergen information on Smart Supplier, consideration must be given to fining agents that are used in the production of alcoholic beverages that may be present in the final product. All finings that are used, or may be used in future, must be listed in the ingredients list.

- If a drink contains or uses an ingredient or processing aid derived from one of the substances or products listed as one of the 14 allergens in Annex II (as amended by Commission Delegated Regulation (EU) No. 78/2014) and it is still present in the finished product, information regarding the presence or use of the allergen must be provided to the consumer. Examples are egg albumen and milk casein.

- Annex II makes allowance for fish gelatine or Isinglass used as a fining agent in beer and wine and not present in the final product to not be declared as allergens.

- When drinks are made using allergens, like tree nuts, but the allergen is no longer present in the final product, suppliers are asked to provide test results to confirm this.

- Gluten Free (GF) - Marston's includes GF drinks on its menus, so supporting evidence must be attached for drinks that make this claim.

- Smart Supplier will also require confirmation of the presence of other dietary ingredients that can cause allergic reactions to our guests.

## Additives including Flavour Enhancers

- Products are not allowed to use the artificial flavour enhancer mono sodium glutamate.

- Products aimed at 18-year-olds or younger should not contain the Southampton six colours that are linked to hyperactivity in children. Sunset Yellow (E110), Quinoline Yellow (E104), Carmoisine (E122), Allura Red (E129), Tartrazine (E102), Ponceau 4R (E124). Marston's preference is for these additives not to be in alcoholic beverages as well.

## Animal Testing

Marston's does not allow any of its products or ingredients of its products to be tested on animals. It is the supplier's responsibility to ensure that all raw ingredients used in the production of any Marston's product are not tested on animals and suppliers must be able to verify this via their own supply chain management processes, if required.

## Acrylamide

Acrylamide is a substance that is produced naturally when processing at high temperatures and has been linked to causing cancer in animals. Suppliers to Marston's of products that are susceptible to acrylamide formation must be able to demonstrate good manufacturing practices to monitor and reduce levels based on risk, and this should be included within the production site's HACCP plan. Controls in place should include raw material selection, recipe design, process method (cooking times and temperature) and finished product standards. Suppliers must be able to prove they have a suitable monitoring system in place. Unless previously communicated to and agreed with Marston's, products as delivered should never exceed the benchmark levels of acrylamide that are set in the EU legislation.

The legislation applies to the drinks listed below and shows the benchmark level of acrylamide in g/kg:

- coffee: (i) roast coffee (400); (ii) instant (soluble) coffee (850)
- coffee substitutes

### Trademarking of Product Brands

Marston's expect suppliers to confirm where a brand name, trademark or registered term can be declared. Suppliers must be able to provide sufficient evidence on Smart Supplier to substantiate such claims prior to offering the product. The supplier is responsible for ensuring Marston's holds up to date information on how brands are to be represented and that all changes are communicated in a timely manner.

### Standards

Through Smart Supplier some products will need to have chemical, microbiological and physical standards supplied to gain full approval (e.g. microorganisms such as E. coli, salmonella, coliforms etc. pH, Brix, weight of product, weight per pack and alcohol content). The level of data required will be product dependent.

## HEALTHY EATING & LABELLING

### Sugar Reduction

Marston's continually strives to meet guest demands for healthier options. We support Public Health England's Sugar Reduction programme and wish to achieve a 20% reduction in sugar content for the applicable categories. In addition, all new products must meet PHE sugar targets. Suppliers must select a sugar reduction category for their product, where relevant, on Smart Supplier.

Since HM Revenue and Customs implemented the Soft Drinks Industry Levy (SDIL) in April 2018, which is aimed at the producers and importers of added sugar soft drinks, it charges manufacturers and importers:

- £0.24 per litre for drinks with over 8g sugar per 100ml (high levy category)
- £0.18 per litre for drinks with 5 to 8g sugar per 100ml (low levy category)
- no charge for drinks with less than 5 g sugar per 100 mL (no levy category)

The UK Government has announced that, to protect its real terms value, the SDIL will be increased over the next five years to reflect the 27% CPI inflation between 2018 and 2024. Annual rate increases will take place on 1 April, starting on 1 April 2025, and will also reflect future yearly CPI increases.

We have been working with suppliers and manufacturers to reformulate their overall product ranges by reducing added sugar content, helping customers to choose lower/no added sugar products and reduce portion size. We will continue to offer our guests a choice of sugar content options.

### Sugar Replacers

Marston's recognises the use of artificial sweeteners such as aspartame, acesulfame K, Stevia etc. as useful alternatives to sugar.

### Clear Labelling

Marston's is committed to ensuring that all claims on menus can be substantiated by suppliers and are

included in the product specification. Where provenance exists in a product, we would expect these details to be communicated and included within Smart Supplier.

It is the suppliers' responsibility to ensure any claims made meet the health and nutrition claims legislation and be able to provide any evidence on Smart Supplier to support the claim on request.

# ANIMAL WELFARE & ASSURANCE SCHEMES

## Animal Welfare

Marston's is committed to animal welfare. We encourage suppliers to employ high standards of animal welfare even where they are used as a direct ingredient or as a processing aid, such as finings.

## Fish

All fish and fish products should be from sustainable sources. This principle applies to farmed fish, wild sea fish, shellfish and all fish ingredients used in finings. Where fish finings are used, the supplier must provide sustainability information.

## Chicken Eggs

Marston's has committed to redevelop all own brand products where egg is used as an ingredient to be cage free by the end of 2025. We encourage suppliers to do likewise.
Where eggs are used as finings, suppliers will need to declare whether they are caged, barn or free range.

## Milk

Milk must be produced in a safe, hygienic environment and meet the relevant Codes of Practice.

## Antibiotics

There is global recognition that there is an increasing need for a more responsible use of medicines and antimicrobials/antibiotics. The spectre of Antimicrobial Resistance (AMR) increases due to over and inappropriate use in food producing animals and is a likely contributory factor in the increase in resistance to certain antibiotics in human medicine.
If antibiotics are used at any point in the food chain of an ingredient, then the supplier must have an antibiotic policy in place and be able to provide a copy as part of the SAQ. This includes dairy ingredients in finished products.

There are many actions that have been taken and activities in progress to deal with the problem of AMR and a number of these have a bearing on how risk can be assessed by product category and geography. These include:

***Global action plans***

- In 2005, the World Health Organisation (WHO) agreed that antibiotics should be classified into 3 categories: a) Critically Important Antibiotics (CIAs), b) Highly important (HIAs) and c) Important (IAs). The highest priority CIAs include the fluoroquinolones, 3rd and 4th generation cephalosporins, macrolides and glycopeptides. Fluoroquinolones and last generation cephalosporins are used to treat life threatening Salmonella and E. coli in humans. Both are used in food producing animals and resistant strains are now being identified.
- A global action plan coordinated by WHO and the Food and Agriculture Organisation (FAO) promotes improved awareness and understanding of AMR; more surveillance and research; the need to decrease the incidence of infection in the first place; to optimise antibiotic use and to develop alternative strategies (e.g. vaccines).

***National action plans***

- The UK has various initiatives coordinated through vets, industry (RUMA: Responsible Use of Medicines Alliance) and academic research.

***EU action plans***

- All growth promoters were banned in 2006.
- 2022 saw the restriction of veterinary antimicrobials across the EU. These new rules ban the routine use of antibiotics and restrict preventative use to exceptional treatments of individual animals.

***Industry action plans***

- RUMA in the UK promotes the four key control principles of a) reviewing biosecurity (e.g. introduction of new animals, screening for disease, equipment disinfection); b) reducing stress (e.g. improved housing, reduce stocking rates); c) good management and hygiene; and d) good nutrition. The RUMA Targets Task Force (TTF) is industry-led and sets sector-specific targets for antibiotic stewardship in UK livestock farming.
- UK poultry sector - voluntary ban on modern cephalosporins, decreased use of fluoroquinolones and restricted use of colistin.

***Quality Assurance Schemes***

- GlobalGAP in Beef, Lamb and Dairy bans the use of modern cephalosporins and fluoroquinolones. CIAs are not permitted in poultry systems unless in high mortality situations and after sensitivity testing.
- Arlagarden (Arla's own QA scheme) - requires the use of selective rather than blanket dry cow therapy for dairy cows. It supports Red Tractor and introduces a further sixteen standards including use of antibiotics and medicines.
- GlobalGAP - prohibits the prophylactic use of antibiotics in pig systems.
- Red Tractor - routine use of fluoroquinolones is not permitted in broiler chicks and modern cephalosporins are not permitted at any time.

Marston's policy is to ensure that antibiotics are only used when prescribed by a vet to prevent discomfort or treat illness, or when a vet prescribes them for metaphylactic use and no growth promoters are allowed in any medicine or animal feed. All animal medicines must be authorised for use, used appropriately and records kept for five years. It is the supplier's responsibility to check through the tiers of the supply chain to ensure conformance. Suppliers to Marston's must be able to demonstrate on Smart Supplier SAQ that they:

- Are aware of the extent of antibiotic use in the products supplied and can indicate whether those used are Prophylactic, Metaphylactic or Therapeutic.
- Have a policy on antibiotic use.
- Are monitoring the overall use of antibiotics.
- Have antibiotic reduction targets in place and, where possible, provide historical tracking information.

# BIODIVERSITY, SUSTAINABILITY & ENVIRONMENTAL POLICIES

## Soy

Marston's recognises that soy is one of the world's most important sources of sustainable protein and is used as an ingredient within our products. We are committed to ensuring that the soy used in our supply chain is cultivated in a responsible and sustainable manner:

- We recognise the Round Table on Responsible Soy Association (RTRS) for sourcing responsible soy and encourage our suppliers to work towards these standards.
- We commit to working with our suppliers to ensure that all soy used as an ingredient or compound ingredient in the supply chain is certified sustainable according to a recognised certification scheme.
- We commit that no product used in Marston's containing soy will be confirmed as suitable if the origins are not confirmed as suitable.
- In due course, Marston's will require suppliers of all products containing soy to provide details on adherence to these standards and to provide copies of certification on Smart Supplier.

## Palm Oil

Palm oil is the most widely used vegetable oil in the world and has the highest yield when compared to other oil crops per hectare of land. If produced and sourced sustainably, palm oil can play an important role in providing for the growing global demand for vegetable oil.
Suppliers must ensure that all palm oil used in Marston's products, either as an ingredient or as a processing aid, is RSPO certified and wherever possible comes from a segregated supply chain. Evidence of certification must be provided on Smart Supplier.

Where palm oil is present, the supplier will be required to provide a copy of the RSPO certification and ensure these are kept up to date.

## Environment

Suppliers must ensure the following:

- Waste and pollutants are minimised and disposed of in an efficient, safe and environmentally responsible manner.
- Comply with international, national and sector codes of practice concerning the use of chemical products, including pesticides.
- Seek to make continuous improvements in their environmental performance and, as a minimum, comply with the requirements of local and international laws and regulations.
- Make practical efforts to minimise emissions and the use of energy, water and raw materials. Where possible these resources must be renewable. We encourage suppliers to collect and reuse water where possible and it is safe to do so.
- Avoid contamination of the local environment and ensure that air, noise and odour pollution is within nationally defined limits.
- Take proactive measures to increase wildlife such as green walls, native species, wildlife friendly planting, wildflower meadows, wetland habitat, soil stores, flower beds for bees, owl boxes and hedging are all encouraged.
- Consider biodiversity through the lenses of dependencies, impact and mitigation.

- Minimise the use of plastic and where possible, substituting for materials that have lower environmental impacts.
- Eliminate difficult or unnecessary single use packaging through better design.
- Reduce 'Food Miles' and ensure transport is low carbon where possible, promoting these values within their supply & distribution chains.
- Work with Marston's to understand and improve the environmental credentials of products.

We also promote and actively encourage suppliers to ensure that areas under agriculture, aquaculture, fisheries, and forestry are managed sustainably through the use of biodiversity through a substantial increase of the application of biodiversity friendly practices.

## Carbon Reporting

As the impacts of climate change unfold, the hospitality industry is taking action, united under a meaningful, practical plan to reduce, then eliminate, our carbon footprint. Marston's is a member of the Zero Carbon Forum (ZCF), which is developing defined roadmaps backed by peers, government, and leading sustainability experts.
With the hospitality industry responsible for 20% of emissions in the food supply chain, it's essential for there to be a collaborative effort in tackling the challenge of reducing emissions across the value chain.

Scope 1 & 2 emissions are associated with a company's direct operations and energy use. This makes them easier to track and manage compared to Scope 3, which are indirect emissions linked to a company's operations via its supply chain. Marston's has undertaken a number of initiatives to improve its Scope 1 & 2 emissions over recent years, and we are actively looking at new ways we can accelerate these efforts.

Marston's has set a target to achieve Net Zero by 2040. To achieve this, we must collect detailed information on the emissions for our products and operations. We expect our suppliers to support us in this endeavour.

We are now turning our focus towards our Scope 3 emissions as we know they account for over 90% of the overall emissions created by the hospitality industry. There are a number of different conversion factors but through our work with other members of the Zero Carbon Forum, Smart Supplier to aligns with BRC and WRAP emissions factors.

## Energy Use

- Suppliers should ensure that energy usage is minimised and reduce their carbon footprint by sourcing locally and minimising food miles.
- Marston's encourages the use of renewable energy to reduce carbon emissions.
- Suppliers will be asked to provide information on energy use, carbon emissions and water usage as part of the SAQ. The figures provided must be from the point of manufacture to allow comparisons to be made and help support our work with the Zero Carbon Forum. An agent/broker should not provide their "office/depot" figures but instead provide details from the point of manufacture.

## Waste

Marston's operates as a zero waste to landfill business and where possible enforces the waste hierarchy. We strive to reduce the amount of waste generated through improving management practices and reducing packaging. For the packaging that is necessary to operate, we endeavour to move to more sustainable, reusable and recyclable materials. We are keen to promote the circular economy and develop further closed loop solutions to manage our waste as a commodity.

Suppliers are required to:

- Supply details of primary, secondary and tertiary packaging for all products on Smart Supplier. Information is not required for any piece of packaging that will not be delivered to an actual pub (e.g. pallets).
- Avoid sending waste to landfill.

- Minimise packaging in products and distribution or substitute for those with lower environmental impacts without risking product preservation.
- Eliminate difficult or unnecessary single use packaging.
- Make 100% of plastic packaging recyclable by 2025 and end use of difficult to recycle plastics (e.g. PVC, black plastics).
- Ensure 30% of all plastic packaging is made from recycled material by 2025.
- Ensure all non-plastic packaging is recyclable and easily segregated.

The table below shows Marston's preferred packaging materials:

| **Green – Preferred** (Materials that are easily recycled in the UK and can have high % recycled content) | **Red – Avoid** (Difficult to recycle materials) |
|---|---|
| Glass | PVC |
| PET - Polyethylene terephthalate | Polystyrene |
| PE – Polyethylene (for flexible film) | Industrial compostable/biodegradable plastic |
| HDPE & LDPE | Oxo-degradable materials |
| PP - Polypropylene | Dark plastics (e.g. □plastics □ □are nondetectable at recycling plants) |
| Steel | PLA – Polyactic acid |
| Aluminium | |
| Sustainably sourced wood, cardboard & paper | |

## Task Force on Climate-Related Financial Disclosures

Marston's is committed to reporting in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD). TCFD requires companies to disclose with their financial filings on four core areas to do with climate change: governance, strategy, risks and metrics & targets.

TCFD obligates companies to report the risks to their business model posed by an increase in global temperatures and its strategy to remain sustainable. The reporting must include explanatory scenarios based on different predicted increases in temperature. Whereas previous regulation on environmental reporting has focused upon reporting past emissions, TCFD requires the Board to report on the possible impacts in the future. Going forward, we will look to engage with our suppliers on TCFD.

## Deforestation

Deforestation is now the second leading cause of climate change globally after burning fossil fuels and is responsible for around 11% of all greenhouse gas emissions. Forests host around 80% of the world's wildlife on land and are home to many species found nowhere else. In the last 60 years, more than half of tropical forests worldwide have been destroyed, reducing biodiversity and endangering beloved and crucial species like orangutans and other great apes, tigers, leopards and jaguars.

Commodities such as cattle and palm oil have been identified as some of the key drivers of deforestation. The UK believes that working in partnership with producer countries to strengthen forest governance is the best way to prevent illegally deforested commodities from the global commodity market.

Proposed UK legislation will help to protect precious tropical forests at risk of illegal clearance. This will help us to support producer country efforts to enforce their laws, stop illegal clearance and protect vital forest habitat for endangered wildlife. Noting that Marston's fall out of scope of the European EUDR legislation.

In 2021, the UK Government introduced new legislation in the Environment Act to tackle illegal deforestation

in UK supply chains. This is a flagship measure to deliver on the commitment made by the UK and over 140 other countries at COP26 in Glasgow to halt and reverse deforestation by 2030.

Schedule 17 of the Environment Act introduced three core requirements on regulated businesses:

- It prohibits them from using illegally produced forest risk commodities, including both raw and derived products.
- It requires that they establish a due diligence system for each regulated commodity.
- And it requires that they report annually on their due diligence exercise. To ensure transparency, parts of their reports will be published.

Secondary legislation is necessary to operationalise the requirements of Schedule 17. Therefore, the UK Government is developing regulations for key forest risk commodities to ensure that they are produced on land used in compliance with local land laws.

Commodities in scope are four commodities identified as key drivers of deforestation: cattle products (excluding dairy), cocoa, palm oil and soy. These four commodities are estimated to account for 64% of the UK's tropical deforestation footprint, with as much as 93% of this deforestation likely to be in violation of local laws. Regulating these four commodities will tackle over half of the UK's estimated deforestation.

As a business with an annual turnover exceeding £50m, Marston's falls into the scope of the new Regulations, but notes that businesses using 500 tonnes or less of each commodity per annum can apply for an exemption from the obligations.

Protecting biodiversity is a global priority and all nations have a part to play in protecting it. There is no place in the hospitality industry for key commodities that have been grown on land that is illegally used or occupied.

# ETHICAL TRADING

## Sedex

Membership of SEDEX is a requirement to be able to supply to Marston's. Suppliers are asked to provide details of Sedex membership and complete a questionnaire as part of the SAQ. A copy of a SMETA audit can also be uploaded. Marston's expects transparency of supply chains, mindful that in today's modern economy, supply chains have become increasingly complex, stretching across various producers globally.

## Ethical Business Practices

Marston's maintains high ethical standards in carrying out its business activities and will only trade with suppliers who adopt ethical business practices and adhere to strict principles that do not compromise our integrity and honesty. The SAQ on Smart Supplier requires a copy of the supplier's ethical policy to be uploaded.

## Legal Compliance

Suppliers must ensure full adherence to all relevant laws and regulations within their jurisdiction. Where there is a conflict between legal standards and these principles, the supplier must comply with whatever standard affords workers the highest level of protection.

## Health and Safety

Suppliers are required to adhere to all national and local Health and Safety regulations. Suppliers must ensure they conduct their business in line with industry best practice in their specific field.

## Seasonal/Agency Workers

Marston's may request information on the terms of employment and methods of recruitment of seasonal / agency workers.

## Pay

- Wages and benefits must be at least fully comparable with local industry benchmarks or national legal requirements, whichever is higher. Wages must always be sufficient for basic needs whilst still providing some discretionary income. Wages should be paid in full and on time, at agreed intervals.
- Before entering into employment, workers should be informed as to the payment process. Wages must be paid directly to the workers in the form of cash or cheques or into the workers' nominated bank account. Information relating to wages must be available to workers in an understandable form.
- No deductions from wages, other than those required by national law, must be permitted without the express agreement of the worker concerned. Deduction from wages for disciplinary purposes must not be permitted.

## Working Hours

- We expect suppliers to conform to industry benchmarks and local and national laws relating to their employees' working hours. Hours must not be excessive and include proper provision for sleep and resting time.
- Workers must not be expected to work in excess of 48 hours per week, or less if there is a lower national limit or an agreed industry benchmark.
- Overtime should be voluntary, limited to no more than 12 hours per week, and not requested on a regular basis; it must be paid at a premium rate or in accordance with national legislation.

- There should be proper provision for rest and sleep. Breaks, holiday allowance and rest periods must be in full accordance with national law. Individual workers should have on average at least one full day's rest per 7 days of work, or the equivalent if shift work is involved.

## Working Conditions

- We expect suppliers to provide suitable and safe working environments for all workers which, at the very minimum, uphold local standards.
- Every effort must be made to provide a safe and hygienic working environment. Adequate steps should be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work. Suppliers must have appropriate procedures in place to deal with serious injuries.
- Suppliers must complete fully documented risk assessments of their sites and accommodation provided, and regularly monitor risks posed to workers.
- Suppliers are expected to assign a senior management representative to be responsible for health and safety issues. Suppliers should set up procedures to consult with employees to seek their contribution in assessing the site's health and safety and in developing health and safety standards.
- No worker should be employed in potentially hazardous conditions without having received adequate safety training and supervision. Health and safety training must be commensurate with supplier's own health and safety responsibilities and must accord with the risk of hazard to which the worker is exposed.
- Records of safety training must be available for inspection on request. Individual workers must be able to demonstrate their understanding of the job and their ability to perform it to at least the minimum standard required by their employer.
- Suppliers must provide essential items of climatically appropriate protective clothing and safety equipment free of charge to their workers.
- Workers must be provided with access to potable drinking water, clean toilets and washing facilities.
- Where provided, accommodation must be safe, clean and meet basic needs.
- Secure storage facilities should be provided. Suppliers should provide a range of mixed gender, segregated and family accommodation as appropriate for the number of workers housed.
- Where management provides dedicated transport for the movement of the workforce to, from, or within the workplace, these must conform to the minimum standards set down in the appropriate national transport legislation. In the absence of such legislation, the management must make every reasonable effort to minimize risks to the workforce whilst transporting them.
- Food, beverages and domestic goods offered for sale to workers must be at price levels no higher than those prevailing nationally.

## Employment of Children and Young People

- Suppliers must clearly document and communicate their policies with staff for prohibiting child labour in the workplace.
- Our suppliers must not employ any worker who is either:
    - younger than the applicable legal minimum age of employment, OR
    - younger than the age of completion of compulsory education, whichever is higher.
- In any event, our suppliers are absolutely prohibited from the employment of those under the age of 15.
- Young workers are distinguished as those between the ages of 15-18. We expect our suppliers to give particular focus to the health and safety and educational needs of young employees.
- Young people aged between 15 and 18 must not be expected to work throughout the night or under potentially hazardous conditions.
- If the supplier discovers that children are working for the supplier involved, the supplier will be expected to cease the practice and provide remediation for the children concerned, including support for the child to attend and remain in quality education until no longer a child. The supplier must also immediately notify Marston's of any such occurrence.

## 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 that are 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.

## Freedom of Association and Employee Representation

- Suppliers' employees must have the fullest practicable rights of freedom of association. We encourage suppliers to share information with their employees and to develop effective mechanisms for consultation.
- Suppliers must recognise and respect the rights of workers to freely join associations (such as workers councils, trade unions and workers associations) which can collectively represent their interests. Employers must not interfere with or attempt to dominate or control such bodies, nor discriminate against workers choosing to belong to them.
- Suppliers should respect the rights of such workers' associations to represent their members and to bargain collectively as defined and interpreted by the International Labour Operations (ILO) and national legal framework.
- Suppliers must share with their employees any information which will affect working conditions and develop effective mechanisms for consultation.
- Where the right to freedom of association and collective bargaining is not permissible under national law, suppliers should facilitate the development parallel means of independent and free association and bargaining.

## Treatment of Workers

- Physical abuse or the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation is absolutely prohibited.
- Disciplinary and grievance procedures must be clearly documented and communicated to all employees. All disciplinary measures must be recorded.

## Equality of Treatment

Provided that all workers show sufficient ability and capability, our suppliers must provide them with equal access to jobs.

- There must be no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on (but not limited to) gender, age, disability, national origin, race, marital status, sexual orientation, political opinion, union (or non-union) membership, religion or caste. Workers must not be expected to perform duties incompatible with their physical or mental abilities.

# PRODUCT SUPPLY, REJECTION & RECALL

## Delivery Times

Deliveries direct to pubs or to our Distribution Centres must take place within agreed delivery times.
Any products that fail to meet the agreed specification (e.g. damaged), will be rejected. If damages are found at a later point, this will be reported to the supplier for rectification/replacement at the supplier's cost. Once unloaded, goods will be checked against the delivery sheet.

## Vehicle Requirements

Vehicles/trailers used for the transportation of food products must be suitable for the purpose, maintained in good repair, in a hygienic condition and not contain materials which compromise the safety or quality of the goods.

## Shelf Life

All date codes are checked and recorded. If shelf life, or validated product temperature, does not meet the agreed parameters, the stock will be rejected.
At times, Marston's may make requests for shelf-life extensions for products to extend the life past the original Best before end date. These are granted at the discretion of the supplier having considered food safety and quality.

## Product Non-Conformance

Any rejection is considered a serious breach of this agreement. It must be followed by a full investigation by the supplier identifying the causes, rectification proposal and long-term preventative actions. Suppliers will also be liable to cost recovery.

## Rejection and Recall

Safety and quality issues could result in rejections or full recalls from pubs within Marston's. We recall a product when:

- The product is unsafe for human consumption.
- The product quality is at such a level that consumption could be commercially damaging.
- A foreign body is found and believed to have come from the manufacturing process.
- A significant number of complaints from pubs through Customer Services.
- At the request of the manufacturer.

Marston's will communicate the need to recall both verbally and in writing to the supplier. Where a product is recalled from our pubs, we will give pubs seven days to return stock to the depot. The supplier will then need to collect the recalled product from the depot within seven days.
Marston's and CMBC will confirm the quantity to be collected and the credit required – credit should be forwarded to CMBC within 30 days.
It may be necessary to recoup costs from the supplier for loss of sales/reputation during the period that a product was not available – this will be discussed as each situation arises.

If a supplier is aware of a problem with a product that requires recall, then they should contact Marston's Customer Services Team on +44 01902 329133 as soon as they are made aware of the problem themselves. Customers Services will then report the complaint to the relevant supplier:

## CMBC Returns Procedure:

### On Trade

Customer needs to Contact Wolverhampton Customer Support Centre 0800 587 0773 option 2.
Please supply:

- Customer name, PHC or postal code
- Product name, size, quantity, any batch details
- Best Before date
- Delivery date

The Customer Support Centre will log the details on exchange and CRM.

The product is uplifted on next delivery and brought back to Wolverhampton for testing and a credit decision made.

It is recommended that the customer evidence their issue (i.e. photos of the problem and container label in the event that credit be challenged).

The Customer Support Centre are notified of any refused credits, BDM will be informed via email. Own brands - Approx turnaround of credit = 10 days
Third party brands Keg & Cask Process as above, except returning items to the supplier for a credit decision can take longer.

## Supplier Responsibility

It is the responsibility of the supplier to notify Marston's immediately if it becomes aware of any defective goods which have been supplied to the Distribution Centre or pub directly.
Defective goods are defined as any goods that are unsafe or unfit for consumption, use or which fail to comply with the specification. This will include, but is not limited to:

- Product safety, quality or legality.
- Foreign objects or infestation.
- Product labelling.
- Product packaging.

In the event that the Supplier notifies Marston's of any defective goods, or Marston's has reasonable grounds to believe that any of the Supplier's goods are defective, Marston's may, at its sole discretion, recall all affected goods or agree a course of remedial action with the Supplier.

The following information must be provided when reporting defective goods:

- Batch numbers.
- Product details.
- Product code and date codes.
- Full description of the problem.
- Amount of goods affected.

## Guest Complaints

Marston's receives quality complaints from pubs and guests who visit them. Together with our suppliers we need to ensure that every complaint is thoroughly investigated and that the guest is responded to in a timely manner. Any complaints left unresolved for too long generate a negative impression for the guest.

In the event that we receive complaints from guests regarding product quality that are not the result of direct influence from our pubs (i.e. genuine quality complaints and not the result of the serving of the product), then these will be escalated to the relevant supplier to investigate and report back. Any such complaints will be channeled through the Customer Service Team who will engage with suppliers and respond to guests.

Customer Services will forward any complaints they receive via email to the technical contact they have details for on file. We will forward information to include date codes, batch code, product code, nature of the complaint, photographs (if available) and pub contact details.

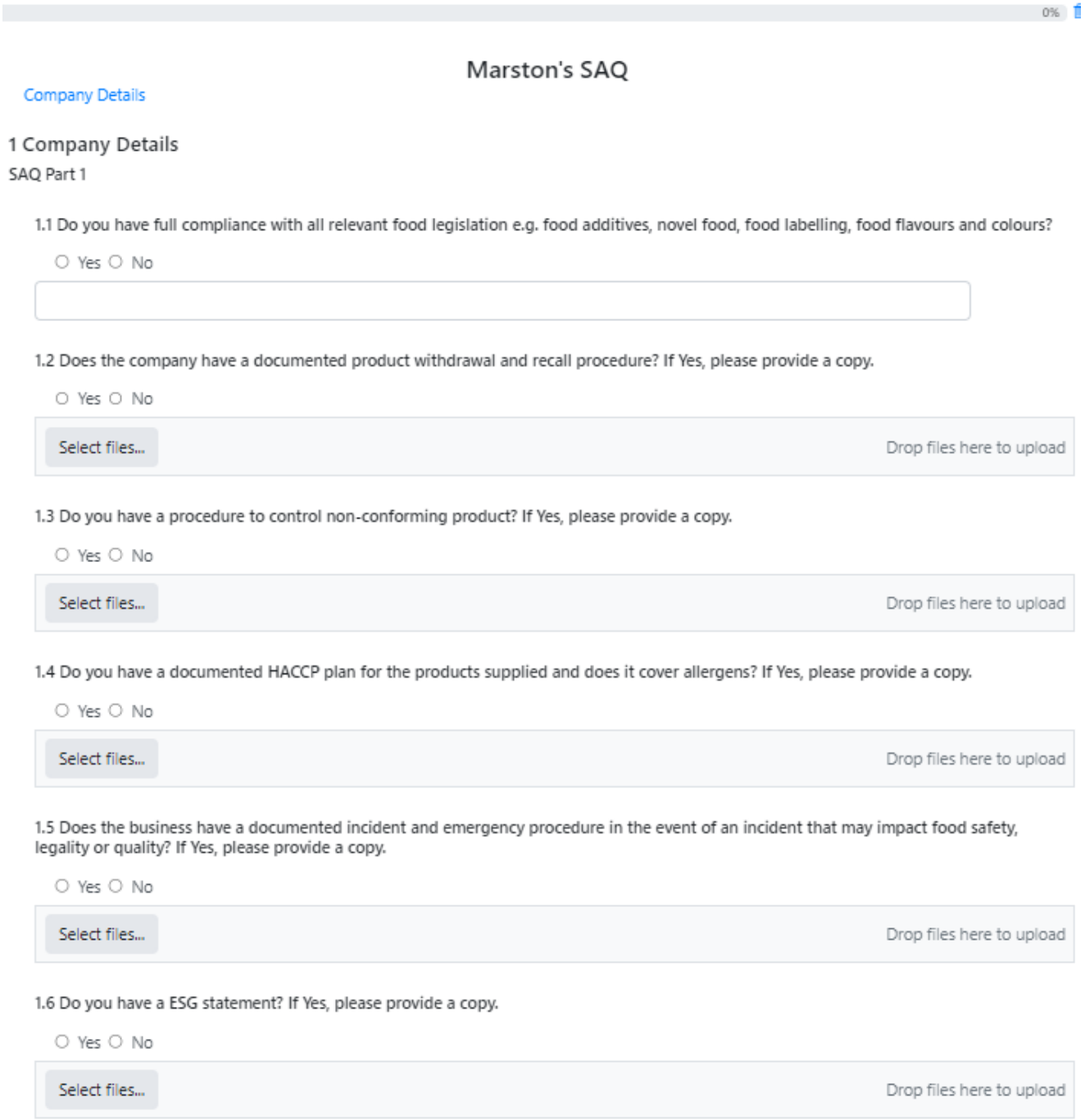
The product/foreign body in question will be held at the pub. It is the supplier's responsibility to make contact with the pub by phone within 24 hours of being notified of the problem. The supplier should make every effort to collect any affected product/foreign body to enable them to complete a full and thorough investigation. Where collection is not possible the supplier must tell the pub to post the item to them via registered post. It is not necessary to send a SAE to the pub as this will delay the investigation.

Where credit is due to the pub for the affected product, this should be covered in the response. Suppliers are not to send cheques, vouchers or cash to the pub as recompense for the complaint. Where replacement product is offered to the pub the supplier must arrange direct delivery of said product to the pub – we cannot arrange this via CMBC.

Suppliers are only to contact the pub who raised the quality problem. They are not to make contact with the actual guest. We continually monitor regulatory changes and industry best practice to ensure our Charter and supply chain standards are appropriate and industry leading. We encourage feedback and input from our suppliers, industry partners and other stakeholders. Where updates are required, we will reflect these back into our supply chain through annual review of this policy statement and its associated documents.

## Appendix

## SAQ



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Marston's SAQ

Company Details

1 Company Details

SAQ Part 1

1.1 Do you have full compliance with all relevant food legislation e.g. food additives, novel food, food labelling, food flavours and colours?

○ Yes ○ No

1.2 Does the company have a documented product withdrawal and recall procedure? If Yes, please provide a copy.

○ Yes ○ No

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1.3 Do you have a procedure to control non-conforming product? If Yes, please provide a copy.

○ Yes ○ No

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1.4 Do you have a documented HACCP plan for the products supplied and does it cover allergens? If Yes, please provide a copy.

○ Yes ○ No

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1.5 Does the business have a documented incident and emergency procedure in the event of an incident that may impact food safety, legality or quality? If Yes, please provide a copy.

○ Yes ○ No

Select files... Drop files here to upload

1.6 Do you have a ESG statement? If Yes, please provide a copy.

○ Yes ○ No

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1.7 Do you have an Ethical Policy that conforms to the Marston's Food Supplier Charter? If Yes, please provide a copy.

○ Yes ○ No

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1.8 Do you have a Modern Slavery Statement? If Yes, please provide a copy.

○ Yes ○ No

Select files... Drop files here to upload

1.9 Do you follow the Corporate Code of Ethics published by CIPS (Chartered Institute of Procurement & Supply)? If Yes, please provide a copy.

○ Yes ○ No

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1.10 Do you have SEDEX membership? If so please provide your membership number so that we can initiate a relationship with you.

○ Yes ○ No

1.11 Have you completed a SEDEX questionnaire or received a SMETA audit? If Yes, please provide a copy.

○ Yes ○ No

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1.12 What is your total annual energy consumption in kWh?

1.13 What is the % of your total energy use that is being provided by renewable energy (if not all)?

1.14 What are your total annual carbon emissions in CO2e?

1.15 Have you got a target to reduce CO2e? If so by how much?

○ Yes ○ No

1.16 What is your total annual water use in m3?

1.17 Have you got a target to reduce water consumption? If so, by how much and when?

○ Yes ○ No

1.18 Do you have a policy in place and a certificate for the Chemicals and Pesticides? If Yes, please provide a copy.

○ Yes ○ No

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1.19 Are any Chemicals or Pesticides used on any of the ingredients in the product?

○ Yes ○ No

1.20 Do you carry out any residue testing for chemicals and peticides? If Yes, please provide a copy.

○ Yes ○ No

Select files... Drop files here to upload

1.21 Where you sell alcoholic beverages please provide your Alcohol Wholesaler Registration Scheme (AWRS) Unique Reference Number (URN)

○ Yes ○ No