



Slavery and Human Trafficking Statement 2019

13 February 2020

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

We recognise our responsibility to identify and address potential or actual human rights infringements linked to the products and services we provide. We encourage our suppliers to uphold the same standards as we apply to ourselves.

Our Structure

The manner in which Marston's operations are structured is explained on our website www.marstons.co.uk. With the exception of beer exportation all of our activities are in the UK.

Marston's is a UK brewer, retailer and distributor of drinks, pub and lodge operator, as well as a large scale property owner. These operations focus upon our two key strategic objectives:

- (1) Operating a high quality pubs and rooms business offering great places to drink, eat and stay;**
- (2) Operating a best in class beer business with a wide range of premium and local brands and great service.**

Given these operations, human rights issues could arise within our UK or overseas supply chain concerning:

- food (fresh, ready prepared, ingredients)
- drink brands (wines, spirits, beers, soft drinks, beverages)
- beer ingredients (malt, sugar and hops)
- consumables
- uniforms and cleaning
- building materials and furnishings
- plant and equipment

Our People

We protect all people working within our pubs, depots and breweries 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. Important controls in this context are:

- 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.

Agencies Supplying Staff to our Premises

The agencies we use operate within UK employment law when supplying people to work on our premises, including the supply of packaging operatives at our breweries, drivers of our vehicles, security guards at our 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 and practices.

Agencies supplying staff to our production and distribution sites are audited twice a year by our HR team. The audit includes making direct contact with a random sample of agency staff to confirm their terms of employment.

Our Supply Chain Structure

Marston's purchases goods and supplies almost exclusively from the UK or from European companies. Workers' rights are legally protected within Europe, and therefore from a risk perspective we have a higher level of expectation that those people employed by our European suppliers are not being exploited.

Despite Marston's buying from European companies a high proportion of the food, goods and resources which our business depends upon originate from countries outside of Europe e.g. chicken, beef, cooking oil, and uniforms.

Our Expectation of Suppliers

During the tendering of our main 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.

Marston's expectation on the treatment of employees is communicated to suppliers during the tender. 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/>.

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.

We risk assess our suppliers taking into account their industry and geographical location. Over the last two years we have sent a questionnaire to 130 of the higher and medium risk suppliers to enquire about how they audited themselves in regard to modern slavery and what steps they take to understand their own supply chain, and how they remediate the risk. We ask what audit evidence is retained.

We review the Modern Slavery Statements of our 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.

In 2019 we subscribed to SEDEX (www.sedexglobal.com) in order to access their ethical data database of companies all over the world. In 2020 we intend to instruct our senior managers on how the SEDEX database can be used to gain a greater insight into the operations of our extended supply chain. Our subscription to SEDEX should allow us to enquire further into our suppliers' employment practices if necessary beyond what they publish in their own Modern Slavery Statement.

We annually review our Food Supplier Charter which communicates the high standards and ethical business practices expected of our suppliers, and includes sections on employment practices and modern slavery. The Charter forms part of 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.

Marston's Food Supplier Charter (excerpt – page 21)

www.marstons.co.uk/docs/responsibility/food-supplier-charter.pdf

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.

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 expect 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 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](#).

Supplier Auditing

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

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

Modern Slavery Policy

We do not have a separate policy on modern slavery; direction on this issue is included within the appropriate corporate policies:

- Pub Food Supplier Policy
www.marstons.co.uk/docs/responsibility/food-supplier-charter.pdf
- Human Rights Policy
- Procurement Policy

KPI – FTSE4Good ESG score

Staying within FTSE4Good is a priority for us and the annual FTSE4Good score has been adopted as a Group KPI - see page 25 of our Annual Report 2019.

www.marstons.co.uk/docs/financials/2019/MARS_AR19.pdf.

The rating includes consideration of human rights and employment practices as well as a range of other ESG factors.

| Year | Rating (out of 5) |
|-------------|--------------------------|
| 2019 | 2.7 |
| 2018 | 2.5 |
| 2017 | 2.4 |

Training

The purpose of this statement is explained to our PLC Exec Committee, the Corporate Responsibility Committee, and the Risk & Compliance Committee.

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 28 September 2019.

Ralph Findlay

MARSTON'S PLC

Marston's Trading Limited

Marston's Operating Limited

Marston's Pubs Limited