

MODERN SLAVERY ACT COMPLIANCE STATEMENT

Carlsberg UK Limited

2021



**CARLSBERG MARSTON'S
BREWING COMPANY**

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INTRODUCTION FROM THE BOARD OF CARLSBERG UK LIMITED (CARLSBERG)

We are proud of the steps we have taken to combat slavery and human trafficking within our business and our supply chain to date and are committed to continually improving our practices. Slavery can take many forms including forced labour, human trafficking and child labour. We are opposed to all forms of servitude and oppression and will continue to work to prevent modern slavery in our business and in our supply chains.

WHAT IS THE MODERN SLAVERY ACT AND HOW DOES IT AFFECT CARLSBERG?

The Modern Slavery Act (**Act**) is a pioneering piece of legislation that was passed into law by the UK Parliament in 2015. The objective of the Act is to encourage greater transparency for consumers and amongst businesses about steps taken to combat slavery and human trafficking within businesses and their supply chains.

Following the introduction of the Act, companies that exceed certain thresholds must complete an annual statement which explains the steps that the organisation has taken during the preceding financial year to address slavery and human trafficking.

Carlsberg's statement for the financial year ending 31 December 2020 is set out below and includes an overview of our company structure and practices during that period.

ORGANISATION'S STRUCTURE

We market, promote and supply certain alcoholic and non-alcoholic drinks in the UK with our well-known brands including Carlsberg Danish Pilsner, Carlsberg Export and Tetley's. We are a part of the Carlsberg group (the **Carlsberg Group**), and until 31 October 2020 our ultimate parent company was Carlsberg A/S, which has its head office in Denmark and is listed on the Copenhagen stock exchange.

On 30 October 2020, Carlsberg UK Holdings Limited and Marston's PLC completed a 'joint venture' transaction to create a new beer company, Carlsberg Marston's Brewing Company Limited (**CMBC**).

From 31 October 2020, Carlsberg became part of the CMBC group. The CMBC group brews, markets, promotes and supplies alcoholic drinks (including the brands listed above, Hobgoblin, Marston's Pedigree, Wainwright, 61 Deep and brands under licence, including San Miguel and Estrella Damm) and non-alcoholic drinks.



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Please see our [website](#) and the “Our business” section of [Marston’s PLC’s modern slavery statement](#) for more details on the creation of CMBC.

Following completion of the joint venture, we have two ultimate parent companies: (1) Carlsberg A/S (this is our ultimate majority owner with a 60% shareholding in the joint venture); and (2) Marston’s PLC which has its head office in England, is listed on the London Stock Exchange and owns 40%.

We remain a part of the Carlsberg Group because Carlsberg A/S is the ultimate majority shareholder of CMBC.

OUR BUSINESS

Carlsberg Group’s business is organised into three regional business units: Western Europe, Eastern Europe, and Asia, with additional areas reached via licensing arrangements and exports. Please see our [Carlsberg Group website](#) for more details.

OUR SUPPLY CHAINS

Our supply chains include the manufacture, distribution, marketing and sales of our products. Our sister company, Carlsberg Supply Company AG (**CSC**) is responsible for global planning, procurement, production and logistics in the Carlsberg Group.

OUR POLICIES ON SLAVERY AND HUMAN TRAFFICKING

We are committed to ensuring that there is no modern slavery or human trafficking in any part of our business. Our [Carlsberg Group Supplier and Licensee Code of Conduct](#) reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in our supply chains.

The Supplier and Licensee Code of Conduct was the subject of a global review and update by the Carlsberg Group in 2019 to reflect the changes in both our own supply chains and the global market place.



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A reference to the Supplier and Licensee Code of Conduct is included in all of the Carlsberg Group's procurement contract templates including its general terms and conditions of procurement. These templates are used by local markets including by Carlsberg in the UK.

Our Labour and Human Rights Policy, supplemented by the Labour and Human Rights Manual, also defines the labour and human rights standards to which all employees and contractors of the Carlsberg Group are entitled, irrespective of the country in which they work. We intend to review our Labour and Human Rights Policy in 2021 to ensure this reflects our respect for human rights and the associated prevention and mitigation of human rights-related risks.

Human resources professionals and all people managers are required to complete an e-learning on the Labour and Human Rights Policy. The Carlsberg Group also encourages the application of this policy (or policies of a similar standard) to joint ventures in which it holds an interest. We will, therefore, continue to require human resources professionals and people managers to complete this e-learning in 2021 (including those who have joined CMBC from Marston's PLC) and our ambition for 2021 is to also require UK procurement employees (as well as procurement managers) to complete this e-learning.

Since 2008, the Carlsberg Group has been a signatory to the UN Global Compact (**Compact**). The Compact intends to align companies with universal principles on human rights, labour and anti-corruption amongst others. We aim to act in compliance with and support the Compact, as reflected in our Supplier and Licensee Code of Conduct.

OUR DUE DILIGENCE PROCESSES, RISK ASSESSMENT AND MEASURING EFFECTIVENESS IN RELATION TO SLAVERY AND HUMAN TRAFFICKING

As part of Carlsberg's commitment to combatting unethical behaviour and in order to comply with applicable laws, we screen our business partners and a fundamental part of this process is to ensure we have all the necessary details about our partners before we engage them.

Carlsberg employees are obliged to maintain records of all screening procedures undertaken, and information obtained as part of 'knowing' our business partners. Without satisfactory documentation, Carlsberg will not be able to progress a business arrangement with a partner.



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In addition to this screening, with support from Shift, the leading centre of expertise on the UN Guiding Principles on Business and Human Rights, the Carlsberg Group undertook a cross-company exercise in 2020 to review its overall approach to human rights due diligence and to identify and prioritise our salient human rights issues. The analysis found that the highest risks the Carlsberg Group faces relate to labour rights for employees and supplier workers in specific roles. The Carlsberg Group's ambition for 2021 is to complete a deeper assessment of these risks and develop action plans to mitigate the issues. Please see our [Carlsberg Group website](#) for further details.

Carlsberg have appointed an independent third party to operate an internal "Speak Up" process across the business. The Speak Up system encourages and facilitates employees and contract workers speaking up about situations or conduct that are not in line with our Code of Ethics and Conduct, policies or applicable laws and regulations without fear of retaliation. The Speak Up process is activated via an externally hosted telephone line or online reporting and issues are monitored by the Carlsberg Group's Integrity Committee.

The number of reported Speak Up cases within the Carlsberg Group has increased significantly since it established an Integrity Committee and raised awareness of the importance of speaking up; from 53 cases in 2017 to 196 cases in 2020. Of the total

number of Speak Up reports received in 2020 (196), 58 (30%) were related to human rights topics (including discrimination and harassment, retaliation, data privacy, health and safety, labour law breaches and other HR issues). Of the closed human rights-related cases, 38% were fully or partially substantiated (21 cases). All fully or partially substantiated cases were addressed through an agreed action plan. Please see the Carlsberg Group's [2020 sustainability report](#) for further details.

COVID-19

Our trade in 2020 was significantly impacted by the Covid-19 pandemic due to many of our customers in the hospitality industry (e.g. pubs, restaurants etc.) being unable to open or operating under restrictions.

Our Northampton brewery stayed open in 2020 supplying bottled and canned beer to our 'off-trade' customers (e.g. supermarkets, other retailers and wholesale customers) and barrelled beer to the licensed trade, when able to do so.



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The health, safety and security of our employees, contractors, agents and suppliers throughout the supply chain remains a priority. Some of the measures taken to mitigate risks introduced to the supply chain and our business as a result of the Covid-19 pandemic during the period to which this statement relates are as follows:

1. **Payment terms.** Our payments to suppliers were made in line with agreed payment terms and, in some cases, we agreed to pay suppliers earlier (e.g. small local suppliers) to assist their liquidity.
2. **Third party screening.** The third party screening procedures/checks described above continued to take place.
3. **Suppliers.**
 - a) A communication was issued by the Carlsberg Group to suppliers and procurement teams highlighting Covid-19 guidelines and the importance of following local Covid-19 requirements when visiting the Carlsberg Group's sites.

- b) We worked with our primary logistics provider to understand their Covid-19 risk assessments and safety guidelines/ways of working.
- c) We worked with our secondary logistics provider to put in place Covid-19 safe working practices for their workforce as well as our customers, and changed our contractual ways of working to try and avoid unnecessary risks being taken when the hospitality industry re-opened.

4. **Employees.**

- a) Our employees who have been able to work from home have done so from the outset of the pandemic, in line with Government requirements.
- b) Employees received full sick pay if they were absent due to a Covid-19 infection.
- c) We issued regular communications to employees including an FAQ document (consistently updated throughout 2020), updates, advice, guidance and support.
- d) Our employees continued to have access to our grievance procedure.
- e) Any recruitment that took place was carried out in a Covid-19 secure manner (e.g. interviews were carried out electronically).



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TRAINING FOR STAFF

In addition to the Labour and Human Rights Policy e-learning outlined above, all employees at Carlsberg undertake a Business Ethics e-learning training module when they join the company. The Business Ethics e-learning module reflects the requirements contained within Carlsberg's Anti-Bribery and Corruption Policy and Manual. Completion of the e-learning training is monitored, and additional training and awareness activities undertaken on a regular basis.

In 2020, all Carlsberg employees with a corporate email address were required to complete a new Anti-Bribery and Corruption e-learning course launched by the Carlsberg Group. The aim of the e-learning was to help employees identify different types of bribery, what they can do to protect themselves and the business, how to resist bribery and how to raise concerns if they know or suspect wrongdoing.

It is CMBC's aim to require all employees who have joined CMBC from Marston's PLC to undertake the Business Ethics e-learning and all employees with a corporate email address to undertake the Anti-Bribery and Corruption e-learning referred to above in 2021, with the highest risk functions being a priority for training in early 2021.

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 December 2020.

For further information on the Carlsberg business, its economic contribution to society and its sustainability efforts, visit <https://www.carlsbergmarstons.co.uk> and www.carlsberggroup.com.



Chief Executive Officer
Paul Thomas Davies
Date: 16 June 2021

Approved by the board of directors of Carlsberg on 16 June 2021



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