

# **MODERN SLAVERY ACT COMPLIANCE STATEMENT**

**MARSTON'S BEER COMPANY LIMITED**

**2021**



**CARLSBERG MARSTON'S  
BREWING COMPANY**

# MODERN SLAVERY ACT COMPLIANCE STATEMENT

## MARSTON'S BEER COMPANY LIMITED

### INTRODUCTION FROM THE BOARD OF MARSTON'S BEER COMPANY LIMITED (MBC)

We are committed to continually improving our practices to combat slavery and human trafficking within our business and our supply chain. 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 work to prevent modern slavery in our business and in our supply chains.

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

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 that explains the steps that the organisation has taken during the preceding financial year to address slavery and human trafficking.

MBC's statement for the financial year ending 31 May 2021 is set out below and includes an overview of our company structure and practices during that period.

### ORGANISATION'S STRUCTURE

We were incorporated on 6 May 2020 as an overseas (Jersey) company and our UK establishment, at Marston's House, Brewery Road, Wolverhampton, WV1 4JT, was registered on 14 August 2020.

On 4 October 2020, Marston's PLC's brewing and distribution of drinks business, as well as its drinks wholesale business and the selling of drinks to national accounts, was transferred to MBC. The brands involved included Hobgoblin, Marston's Pedigree and Wainwright, as well as licensed brands Shipyard and Estrella Damm.

Until 30 October 2020, our ultimate parent company was Marston's PLC, which has its head office in England and is listed on the London 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**).



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This transaction included the acquisition by the joint venture of MBC, such that as from 31 October 2020, MBC became part of the CMBC group. The CMBC group brews, markets, promotes and supplies alcoholic drinks (including the brands listed above, Carlsberg Danish Pilsner, Carlsberg Export, Tetley's, 61 Deep and brands under licence, including San Miguel) and non-alcoholic drinks.

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, MBC has two ultimate parent companies: (1) Carlsberg A/S, which has its head office in Denmark and is listed on the Copenhagen stock exchange (this is our ultimate majority owner with a 60% shareholding in the joint venture); and (2) Marston's PLC, which owns 40%.

We are part of the Carlsberg group (the **Carlsberg Group**) because Carlsberg A/S is the ultimate majority shareholder of CMBC.

Please note that this statement sets out details of the practices, policies, systems and controls implemented by MBC to combat slavery and human trafficking from 31 October 2020 (when it became part of the CMBC group). Please see [Marston's PLC's modern slavery statement](#) for information on the slavery and human trafficking practices, policies, systems and controls which applied to MBC prior to 31 October 2020.

### 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. We also procure goods and supplies directly from suppliers and have an 'in-house' logistics operation and depot network.



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### 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.

We initiated the adoption, implementation and roll-out of Carlsberg Group policies (including policies which relate to modern slavery and human trafficking) on 31 October 2020, when we became part of the CMBC group. We have taken this step in line with the requirements of our majority shareholder. Our ambition is to have fully implemented Carlsberg Group policies by the end of our next financial year.

One of these Carlsberg Group policies is the Carlsberg Group Supplier and Licensee Code of Conduct which 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 its own supply chains and the global market place. 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 MBC in the UK, since the completion of the joint venture in October 2020.

The Carlsberg Group 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 to ensure it reflects our respect for human rights and the associated prevention and mitigation of human rights-related risks. The current version of the policy has applied to MBC since the completion of the joint venture in October 2020.

Human resources professionals and all people managers who have joined CMBC from Marston's PLC will be required to complete an e-learning on the Labour and Human Rights Policy in 2021 and our ambition for 2021 is to also require UK procurement employees (as well as procurement managers) to complete this e-learning.



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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 MBC's commitment to combatting unethical behaviour and in order to comply with applicable laws, we are required to screen new suppliers who are the subject of a tender process and a fundamental part of this process is to ensure we have the necessary details about those new suppliers before we engage them.

MBC employees are obliged to maintain records of all screening undertaken during a tender process, and information obtained in connection with that tender process. Without satisfactory documentation, MBC will not be able to progress a business arrangement with that supplier.

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 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. These plans will cover MBC. Please see the Carlsberg Group [website](#) for further details.

Carlsberg Group has 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, and it applies to MBC employees. 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.



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### COVID-19

Our trade during the period to which this statement relates 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.

The majority of our breweries stayed open during the period to which this statement relates (our Ringwood and Jennings breweries have been closed intermittently) 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.

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. **Suppliers and customers.** We created safe systems of work for our delivery, sales and marketing personnel which were available to share with customers and suppliers to ensure the risks to our employees were minimised as far as reasonably practicable. We stopped all non-business critical visits to our sites to protect our employees and to eliminate the risks to third parties.
3. **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) We issued regular communications to employees including an FAQ document, updates, advice, guidance and support.
  - c) Our employees continued to have access to our grievance procedure.
  - d) 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 new employees at MBC now 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 Group's Anti-Bribery and Corruption Policy and Manual. Completion of the e-learning training is monitored, and additional training and awareness activities are undertaken on a regular basis.

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.

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 31 May 2021.

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



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Chief Executive Officer  
Paul Thomas Davies  
Date: 20 October 2021

Approved by the board of directors of MBC on 20 October 2021.



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