

# **MODERN SLAVERY ACT COMPLIANCE STATEMENT**

**Carlsberg Marston's Brewing Company Limited**

**2022**



**CARLSBERG MARSTON'S  
BREWING COMPANY**

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## CARLSBERG MARSTON'S BREWING COMPANY LIMITED

### INTRODUCTION FROM THE BOARD OF CARLSBERG MARSTON'S BREWING COMPANY LIMITED (CMBC)

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. We are opposed to all forms of modern slavery including forced and compulsory labour, human trafficking, and child labour, 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 CMBC?

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.

CMBC's statement for the financial year ending 31 December 2021 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, Tetley's, Hobgoblin and Marston's Pedigree, as well as licensed brands San Miguel, Erdinger and Estrella Damm. 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 group, the '**Carlsberg Marston's Brewing Company Group**' or '**CMBC Group**'.

From 31 October 2020, CMBC became part of the CMBC Group. Please see our [website](#) and the "Our Business" section of Marston's PLC's [2020 modern slavery statement](#) for more details on the creation of the CMBC Group.



# MODERN SLAVERY ACT COMPLIANCE STATEMENT

## CARLSBERG MARSTON'S BREWING COMPANY LIMITED

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 the [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.

### OUR POLICIES ON SLAVERY AND HUMAN TRAFFICKING

We are committed to respecting human rights and ensuring that there is no modern slavery or human trafficking in any part of our business. As a signatory of the UN Global Compact (**Compact**) since 2008, the Carlsberg Group is committed to its 10 principles, which include human rights, and is also committed to the UN Guiding Principles on Business and Human Rights (**UNGP**). CMBC aims to act in compliance with these principles as we are a part of the Carlsberg Group.

Our commitment to respect human rights is reflected in our policies. In 2021, the Carlsberg Group worked with Shift, the leading centre of expertise on the UNGP, to review and strengthen its Labour and Human Rights Policy and published a revised policy which was renamed the [Human Rights Policy](#). The Human Rights Policy applies globally to management, employees, and contract workers of all members of the Carlsberg Group (including CMBC in the UK) and is overseen and approved by the Carlsberg Group Executive Committee.



# MODERN SLAVERY ACT COMPLIANCE STATEMENT

## CARLSBERG MARSTON'S BREWING COMPANY LIMITED

This Policy is our human rights governance document which, amongst other things, communicates our commitment to respect human rights across all our business activities and relationships (throughout our value chain) and provides guidance on appropriate behaviour when it comes to labour and human rights issues. It covers topics such as working hours, benefits and wages, freedom of association, non-discrimination, harassment, and child and forced labour.

To enable us to enforce effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in our supply chain and implement our commitment to respect human rights in all our business activities and relationships throughout our value chain (as communicated in the Human Rights Policy), we expect our suppliers, vendors, agents, contractors, and licensees to comply with the [Carlsberg Group Supplier and Licensee Code of Conduct](#). The Carlsberg Group Supplier and Licensee Code of Conduct includes requirements in respect of labour and human rights (e.g. a prohibition on forced and child labour), health and safety and environmental sustainability. If these requirements are not met, we must be informed and the third party must act quickly to fix the problem. Failure to meet these requirements or remedy non-compliances may result in termination of the contract.

In 2021, the Carlsberg Group carried out 121 regular quality and compliance audits of business-critical suppliers to monitor adherence to these requirements.

Compliance clauses and a reference to the Supplier and Licensee Code of Conduct are 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 as the basis for the majority of their contracts including by CMBC in the UK. Where a third party's contract template is used, equivalent wording is added to ensure the same level of contractual protection.

The Carlsberg Group plans to continue to embed human rights in company-wide governance and compliance systems in 2022, including by strengthening human rights monitoring. It is also planning to re-assess its approach to responsible sourcing.



# MODERN SLAVERY ACT COMPLIANCE STATEMENT

## CARLSBERG MARSTON'S BREWING COMPANY LIMITED

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

As part of CMBC'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.

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

The Carlsberg Group also engages an independent third party to operate a "Speak Up" process across the business. The Speak Up system encourages and facilitates employees and anyone who works with us (including suppliers and their workers) to speak up about situations or conduct that are not in line with our Code of Ethics and Conduct, policies or applicable laws and regulations (e.g. human rights violations), without fear of retaliation. The Speak Up process is activated via an externally hosted telephone line or online reporting.

Investigations are conducted by locally trained representatives and overseen by the Carlsberg Group's Internal Audit Team, the Carlsberg Group's Integrity Committee oversees investigations of the most serious allegations. Information received through the Speak Up process is used by Carlsberg Group to continually improve processes.

Of the total number of Speak Up reports received in 2021 (157), 53 (34%) were related to human rights topics (including discrimination and harassment, retaliation, health and safety, labour law breaches and other HR issues). Of the human rights investigations the Carlsberg Group completed during 2021, 43% were fully or partially substantiated and each of these was addressed through an agreed action plan. Please see the Carlsberg Group's [2021 Environment, Social and Governance Report](#) for further details.

### TRAINING FOR STAFF

In 2021, in accordance with Carlsberg Group requirements, we allocated e-learning on the revised Human Rights Policy to our human resources team (including those who have joined CMBC from Marston's PLC).



# MODERN SLAVERY ACT COMPLIANCE STATEMENT

## CARLSBERG MARSTON'S BREWING COMPANY LIMITED

We also allocated this e-learning to people managers who have joined CMBC from Marston's PLC. To clarify, we ensure this e-learning is allocated to all new people managers and human resources professionals when they join CMBC. Our ambition for 2022 is to require UK procurement employees (as well as procurement managers) and all other people managers to complete this e-learning.

In addition to the Human Rights Policy e-learning outlined above, to reflect our commitment to act ethically and with integrity, all employees at CMBC undertake a Code of Ethics and Conduct e-learning training module when they join the company. Whilst this e-learning module does not directly address specific modern slavery topics, it covers a wide range of ethical and legal and compliance issues, including anti-bribery and corruption, competition law, data protection and privacy, conflicts of interest, political activities, discrimination and harassment and reflects the requirements contained within the Carlsberg Group's Code of Ethics and Conduct. Completion of this e-learning training is monitored, and additional training and awareness activities undertaken on a regular basis. It is our belief that a knowledge of other ethical and legal and compliance issues challenges our employees' decision making, encourages a culture of compliance and embeds the commitment to acting ethically and with integrity within the business therefore indirectly contributing to modern slavery compliance and a respect for human rights.

In 2021, the Carlsberg Group refreshed the Code of Ethics and Conduct, strengthening provisions in key areas, adding 'dos and don'ts' checklists and featuring an ethical decision making guide for employees. As a result, an updated e-learning training module on the refreshed Code of Ethics and Conduct was rolled-out to our employees in 2021 (including those who have joined CMBC from Marston's PLC).

In 2020, all CMBC employees with a corporate email address were required to complete a new Anti-Bribery and Corruption e-learning course launched by the Carlsberg Group. This e-learning course was allocated to employees who joined CMBC from Marston's PLC in 2021 as a result of joint venture. The aim of the e-learning is 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. To clarify, we ensure this e-learning is allocated to all new people managers and employees in commercial functions when they join CMBC.



# MODERN SLAVERY ACT COMPLIANCE STATEMENT

## CARLSBERG MARSTON'S BREWING COMPANY LIMITED

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 2021.

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



Paul Thomas Davies  
Chief Executive Officer  
Date: 22 June 2022

Approved by the board of directors of CMBC on 22 June 2022