# Anti-Money Laundering (AML) Policy

## Purpose:

Marston's PLC Anti-Money Laundering (AML) Policy is designed to prevent money laundering by meeting the European standards on combating money laundering and terrorism financing, including the need to have adequate systems and controls in place to mitigate the risk of the business being used to facilitate financial crime.

Marston's will do all it reasonably can to prevent its exposure to any form of money laundering, to identify potential areas where it may occur and to comply with all legal and regulatory requirements, in particular with regard to the reporting of actual or suspected cases.

There are three main pieces of legislation that the business needs to be aware of:

- Proceeds of Crime Act 2002 (POCA)
- Terrorism Act 2000
- The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and Amendment 2019

Marston's recognises its legal obligations to have procedures and controls in place to deter, disrupt and detect money laundering and terrorist financing. The PLC will adopt a risk-based approach to the application of measures to prevent money laundering/terrorist financing. This risk based methodology will balance the costs to the business and the customers against a realistic assessment of the risk faced.

## Scope

This policy applies to all members and areas of the PLC and aims to maintain the current standards of conduct by preventing criminal activity through money laundering. This policy will set out the procedures for reporting suspicions of money laundering.

Failure to adhere to this policy may leave an employee of the PLC open to disciplinary action being taken against them, together with potential prosecution individually and for the business.

## Guideline

Money laundering is the concealment of the origins of illegally obtained money, typically by means of transfers involving foreign banks or legitimate businesses. It is a collective term used for a number of offences involving the proceeds of crime or terrorism funds.

The method of criminality converting 'dirty' money into clean, generally through a process seen as placement, layering and integration.

The hospitality sector is regarded as high risk for the threat of money laundering.

The key requirement is for an employee to promptly report any concerns to the Money Laundering Reporting Officer (MLRO).

## Offences

Legislation defines the offences relating to money laundering as:

- Concealing, disguising, converting or transferring criminal property or removing it from England and Wales;
- Arranging, or becoming concerned in an arrangement, which the person who knows, or suspects, or facilitates (by whatever means), the acquisition, retention, use or control of criminal property by or on behalf of another person;
- Acquiring, using or having possession of criminal property; and
- Entering into or becoming concerned in an arrangement which facilitates the retention or control by or on behalf of another person of terrorist property.

There are further associated offences regarding due diligence and disclosures – these are:

- Failure to apply customer due diligence;
- Failure to apply on-going monitoring of business relationship and customer due diligence;
- Failure to comply with timing on verification of clients and any beneficial owner;
- Failure to apply enhanced customer due diligence and monitoring where required;
- Failure to keep required records;
- Continuing with a business relationship where unable to apply customer due diligence;
- Making a disclosure to a person which is likely to prejudice a money laundering investigation ("tipping off");
- Failing to disclose; and
- Prejudicing an investigation.

## The Money Laundering Reporting Officer

The Officer nominated and trained to receive disclosures about money laundering is:

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|---|---|
| Name | Jonathan Moore |
| Title | Corporate Risk Director |
| Address | C/O Marston's House |
| Contact | 07814 731857 |
| Email | Jonathan.Moore@Marstons.co.uk |

If the MLRO is unavailable, please detail your concerns to:

| | |
|---|---|
| Name | Helen Whitehouse |
| Title | Corporate Internal Auditor |
| Email | Helen.Whitehouse@Marstons.co.uk |

## Our responsibilities

A risk based approach requires the following steps:

- <u>IDENTIFY</u> the risks of money laundering and terrorist financing

- <u>ASSESS</u> the risks

- <u>DESIGN & IMPLEMENT</u> controls to manage and mitigate these risks.

- <u>MONITOR & IMPROVE</u> the control operation

- <u>RECORD</u> what has been done and why.

Due diligence checks on customers should always be completed. That is confirming the identity of the customer, checking that payments come from named accounts and knowing the relationship status between any partners in their business (i.e. who is funding them). Identification and verification are key. Money laundering reports should be produced through appropriate information providers.

Ongoing monitoring of the relationships and customers.

Training our staff in how to look for examples or indicators of money laundering threats.

Checks will be required for all agreements with the PLC, and will include renewal agreements, free trade, retail, franchise and leased/tenancy agreements.

The PLC will make available this policy for all employees and deliver training to relevant staff in relation to money laundering as well as refresher training on a bi-annual basis.

Records of the transactions and checks, together with any continuing monitoring must be retained for a period of five years.

## Reporting Procedures

Any employee who suspects money laundering MUST report their concerns to the MLRO, or designated deputy.

The employee must follow the directions of the MLRO and must not make any further enquiries, or take further steps in any related transaction without express authorisation from the MLRO.

The employee must not disclose their suspicions to the person suspected of money laundering. They must not discuss this with any other person save line management, and the referral to the MRLO must not be recorded on any document that the suspected person may see, or have access to (this will include BDR notes).

The MLRO will evaluate any referral to determine whether it is necessary to be reported to the National Crime Agency (NCA). If so, it must be promptly reported.

The MLRO or designated deputy will commit a criminal offence if they know or suspect, or have reasonable grounds to believe, that through a disclosure made another person is engaged in money laundering and they do not disclose this. This may be an internal or external person.

## Further information

Further information can be sought from the MLRO or the Internal Audit team

## Policy owner

Jonathan Moore – Corporate Risk Director

## Date created/ reviews

V1. Created - September 2019

V2. Amended November 2020

V3. Amended October 2021 – Update of MLRO.