The United Nations Global Compact (UNGC) was launched in 2000 to harness the power of collective action in the promotion of responsible corporate citizenship. The Compact is a framework for businesses that are committed to aligning their operations and strategies with the ten universally accepted principles in the areas of human rights, labour, the environment and anti-corruption.

As the world’s largest global corporate citizenship initiative, the Global Compact is concerned with demonstrating and building the social legitimacy of business and markets. Marshalls plc became a signatory of the UNGC in January 2009 and a member of the UK Network later the same year.

The Global Compact is a purely voluntary initiative with two objectives:

1. To mainstream the ten principles in business activities around the world;
2. To catalyse action in support of broader UN objectives, such as the Sustainable Development Goals.

The UNGC is not a regulatory instrument, but rather a voluntary initiative that relies on public accountability, transparency and disclosure to complement regulation and to provide a space for innovation and collective action.

This is the Company’s tenth Communication on Progress and outlines how Marshalls is aligned with the ten principles and how, throughout 2019, the plc intends to develop its activities in support of the framework laid out by the UNGC.
UNGC Ten Principles

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights;

Principle 2: Make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: The elimination of all forms of forced and compulsory labour;

Principle 5: The effective abolition of child labour;

Principle 6: The elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility;

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against all forms of corruption, including extortion and bribery.

Contents

Statement of Support for UNGC, Martyn Coffey ................................................................. 06
Statement, Chris Harrop ........................................................................................................ 07
Foreword and Focus for 2019 .............................................................................................. 08
Marshalls UNGC Signatory for ten years ............................................................................. 16
Scope of Operations ............................................................................................................. 18
Achievement Indicators ....................................................................................................... 20
Marshalls Brand Manifesto ................................................................................................. 21
Marshalls the Superbrand .................................................................................................... 22
Product Innovation .............................................................................................................. 24
Marshalls Contribution to Global Goals .............................................................................. 28
Modern Slavery Implementation ........................................................................................ 32
Ethical Supply Chains ........................................................................................................ 50
Human Rights ..................................................................................................................... 52
Labour ................................................................................................................................. 58
Environment ...................................................................................................................... 64
Anti-Corruption ................................................................................................................. 74
Fair Tax ............................................................................................................................... 76
Employee Engagement/Training & Development ............................................................ 78
Health & Safety ................................................................................................................ 79
Third Party Recognition and Awards ................................................................................. 80
COP Feedback .................................................................................................................. 82
Statement of Support for the UNGC
Martyn Coffey, Marshalls’ CEO

Lise Kingo, CEO & Executive Director of the UN Global Compact, has called for 2019 to be a “Year of Tipping Points”. She reminded me, as I read her message to all signatories at the beginning of this year, that it was 20 years ago that the late founder UN Secretary-General Kofi Annan first proposed the idea of a Global Compact between the United Nations and the world’s businesses. It cannot be disputed that the universal principles of human and labour rights, respect for the environment and anti-corruption proposed by Kofi Annan as the basis of the Global Compact are as valuable and relevant today as they were back then.

At Marshalls too we had a special anniversary in January 2019 as we marked our 10th year of engagement as a signatory of the UN Global Compact. I am proud that our organisation had the foresight and vigour to engage in 2009 when traction for UNGC initiative was challenging. Since then the UNGC principles and framework have been our constant mentor and guide, challenging us to shape and develop our business with sustainability up-front-and-centre. It has without doubt, and continues to be, an invigorating and often frustrating journey as we navigate our way to maintain our leadership position and to ensure that sustainable choices are embedded in all areas of our business and are quite simply just the way we do business.

As we move forward, three years into the SDGs, I am heartened to know that good progress is happening on many fronts as we all drive towards a more sustainable way of life as envisioned in the 2030 Agenda, but I also understand that there are huge gaps particularly on climate change and inequality — for women, young people and for workers in the global supply chain. Marshalls remains committed to contributing to the SDGs, encouraging others to become UNGC signatories and to using our leverage and our immense collective energy to help ensure that this is indeed a “Year of Tipping Points”.

As we celebrate our 10th year UNGC anniversary I want to take a moment to thank our team in its entirety for their continued commitment to the UNGC principles. I want to acknowledge that each and every one of them has played a part in enabling Marshalls to uphold the important commitments that we made back in 2009. You’ll see for yourself as you read our latest report that upholding these commitments engages the efforts of all of our people without exception; whether we’re working to ensure that we deliver on our environmental commitments; working to protect labour rights and improve standards for workers and their families around the globe; coming together to take action on human rights; personally engaging with the challenges of spotting and reporting the signs of modern slavery as we go about our business; working with suppliers on the challenging issues of ethical sourcing; engaging with the complexities of diversity & inclusion; supporting one another in our efforts to make a contribution to issues that we care about in our local, regional and global communities; and in a plethora of other ways. I wish to say loud and clear that I am grateful for their unwavering engagement, energised by their actions and extremely proud of what they have each contributed and that Marshalls has therefore been able to achieve.

I am pleased also to share with you the news that at the end of 2018 I received an OBE for my services to modern slavery; although it saddens me to think that in this day and age this would be the case. The 10th of December 2018 was the 70th anniversary of the Universal Declaration of Human Rights and a stark reminder to me, in the light of this honour, that although drafted in 1948 in the aftermath of World War II, the Universal Declaration remains as relevant today as ever before, presenting an ambitious vision for a world in which all human beings live in dignity and freedom. The fact that Marshalls has answered the call of UNGC and has a principles-based approach regarding human rights which ensures that is at the centre of our business strategy gives me cause for optimism. I hope that other businesses engage and do the same.

"For the UN Global Compact, our priority is to translate the SDGs into business action and innovation everywhere. Our Local Networks in over eighty-five countries are at the heart of this effort. Networks are absolutely crucial to help local businesses shape this agenda. Our Local Networks have shown us time and again that the solutions and innovations we need are already out there. Change will not come as a result of meetings held at UN Headquarters alone, but as a result of deliberate and tangible action on the ground."

UNGCG Executive Director, Lise Kingo

I’m delighted to offer a warm welcome to all readers of this Marshalls’ 10th UNGC Communication on Progress Report. I can hardly believe that 10 years have flown by since we became a UNGC signatory, and yet when I look at our journey over that time I can honestly say that we’ve made so much progress in our thinking, our decision making and our actions as a result. Regular readers will know that I like to share with you here, at the beginning of our report, some of the highlights of the challenging work that we’ve undertaken in 2018. We welcome feedback and comments from all of our stakeholders on our activities, so if you’re inspired to get in touch by anything you see here please see the feedback section towards the end of the report; we’d be delighted to hear from you.

Our activities have continued to be shaped by the business and human rights agenda, the publication of our third Modern Slavery Disclosure Statement and its implementation throughout UK business operations and our global supply chains, the publication of our second End Modern Slavery Report which details the depth and breadth of our efforts, the reinvigoration of our Ethical Trading Initiative 2020 Strategy and our ongoing work to make a contribution towards the Global Goals.

I am particularly proud of our most splendid and growing army of Modern Slavery Ambassadors. They are strategically recruited throughout our UK operations and have proved to be an excellent asset as we continue to ensure that all of our employees know how to spot the signs of modern slavery and how to report it. They are supremely placed to ensure that all of our employees are all aware of the businesses’ commitment to sustainability and what this means to them in terms of what they do and how they do it. There is an ever increasing sense that everyone, whatever their role, has an equally important part to play in our efforts to live and breathe the UNGC principles, nowhere more so than in our continued drive to eliminate modern slavery.

We have initiated an exciting multi stakeholder supply chain and community programme in Vietnam which sees the International Organisation for Migration as our partner. We remain active also in China, Turkey and Europe.

I’m pleased to report that this activity, and more, has enabled us to achieve BRE Ethical Labour Standard 6002 verification for the third year running.

I am pleased to say that during 2018 we have also committed to Science Based Targets in relation to the environment. We will now report on our progress annually in relation to this in our COP report. You will also read, later in the report, our progress regarding the UN CEO Water Mandate.

Martyn Coffey, our CEO, continues to champion Marshalls’ strategic approach to sustainability and made clear in his statement of support he and the Board fully acknowledge the importance of our UNGC engagement as we continue our journey as a sustainable business committed to contributing to the SDGs in a meaningful way.

I would like to reiterate Martyn’s sentiment here in that all of my colleagues are empowered to harness Marshalls brand values and to do the right thing day-in-day-out. I have seen for myself that this is extremely powerful and liberating. Marshalls’ employees are all aware of the businesses’ commitment to sustainability and what this means to them in terms of what they do and how they do it. There is an ever increasing sense that everyone, whatever their role, has an equally important part to play in our efforts to live and breathe the UNGC principles, nowhere more so than in our continued drive to eliminate modern slavery.

We continue to work on preventative measures with our anti-slavery partner, Hope for Justice, in the UK and are also working with our growing number and work of our Modern Slavery Ambassadors.

We continue to provide the focus for our activity. Underpinned by the UNGC principles regarding the environment, labour, human rights and anti-corruption.

Marshalls remains absolutely focused on being a successful and profitable business whilst minimising our impact on the environment, looking after people and communities, striving to be innovative and to respond to market challenges and opportunities, and to taking the lead in our sector.

Our purpose as a business is to ‘Create Better Spaces’ for all of our customers. We do this:‘The Marshalls Way’ by ensuring that we live our shared values of leadership, excellence, trust and sustainability. These are the values that our business is built on.

The Values Our Business is Built On

LEADERSHIP means that we are committed to doing the right thing for the long-term good of our business, for society and for the environment. This means that we must always do the right thing and consider the impact on our business and of our decisions and actions.

SUSTAINABILITY means that we are committed to doing the right thing for the long-term good of our business, for society and for the environment. This means that we must always do the right thing and consider the impact on our business and of our decisions and actions.

EXCELLENCE means that we must always strive to be the best we can be. It means that we are ambitious and demand high performance from ourselves as well as others. We must also be innovative and constantly seek to improve our performance. It’s essential that we always make good our commitments and have pride and passion in everything that we do.

TRUST means that we are open, honest, fair and consistent. We must always follow through on our promises, respect others’ talents and treat each other fairly whilst always acting with integrity.

LEADERSHIP is not just about being a manager. It means that we should all set the standards that others aspire to, no matter what our role is within the business. We should all take responsibility for our actions and try to set a good example every single day.

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Regular readers of our COP’s will be very familiar with our sustainability model which incorporates our membership of the UNGC and FTSE4GOOD, and our continued commitment to Integrated Management Systems.

The three pillars of sustainability; economic, environmental and social continue to provide the focus for our activity. Underpinned by the UNGC principles regarding the environment, labour, human rights and anti-corruption.

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Employees throughout the business continue to be actively involved:

These employees work alongside those with special responsibilities including:
- Group Procurement Director, Richard Beal
- Group Human Resources Director, Louise Furness
- Business & Human Rights Lead, Elaine Mitchell-Hill
- Group Head of Sustainability, David Morrell
- Natural Stone Director, Rory Kendrick.

Marshalls’ progress is monitored thoroughly and on an ongoing basis against both internal and external measures. As a matter of course Marshalls seeks appropriate verification from third party organisations which include IGOs, NGOs and independent auditors; The Carbon Trust, BSI, Wild Life Trust, ETI, BITC & BRE. We also engage with third sector organisations as ‘critical friends’ in order that we get full and frank feedback on a range of issues especially in relation to our human rights programme and our work on modern slavery and transparency in the supply chain.

Stakeholder consultation is embedded throughout our work programmes in both the UK and overseas.

Our Business & Human Rights Programme continues to develop at a pace and now includes modern slavery threat assessments, human rights impact assessments, Children’s Rights & Business Principles audits, UN Women’s Empowerment Principles gap analysis, benchmarking, business and human rights Yammer platform, a human rights & modern slavery training programme and modern slavery risk mapping and country profiling. In addition we continue to work closely with Indira Saxena regarding social issues in India and Sterling Smith of Just Solutions Ltd on higher risk overseas supply chains.

I am particularly delighted to confirm that Marshalls has once again retained its Superbrand status for the tenth year running. This remains a testament to the dedication and passion of everyone within the business and a feat of which we are all extremely proud.

In this our 10th Communication on Progress, we share with you once again the relentless efforts that we have made to uphold the UNGC principles during 2018 and our enduring commitment to these principles as we move forward throughout 2019.
Focus for 2019

Business and Human Rights

Marshalls published its third Modern Slavery Disclosure Statement in May 2018, as required following the introduction of the UK Government Modern Slavery Act. Many of you will be aware that this Act requires all businesses with a turnover in excess of £36m to provide an annual Statement of Disclosure detailing the steps taken during the previous year to help ensure that slavery and human trafficking is not taking place in its business operations or supply chains. Marshalls continues to lead the field both in the UK and overseas in this area, as you'll read later in this report.

In early 2019 we are set to launch our compelling ‘Power of Logistics’ modern slavery initiative which will see our entire nationwide logistics team trained on how to spot the signs of modern slavery and how to report safely. Our drivers often deliver goods to construction sites early in the morning, or late in the day and are well placed to spot and report. Our fleet of vehicles will also have the national modern slavery helpline on them.

We are delighted that the launch will be supported by West Yorkshire Police & Crime Commissioner and the Association of Police and Crime Commissioners (APCC) Lead on Modern Slavery, Mark Burns-Williamson.

In the UK Marshalls remains active and engaged in the West Yorkshire Anti-Trafficking & Modern Slavery Network, Greater Manchester Business Network on Modern Slavery, UNGC Modern Slavery Working Group, the ETI Working Group on Modern Slavery and sits on the APPG for Modern Slavery & Sport, including Construction. We also remain engaged with UK government and are looking forward to contributing to the Commonwealth Parliamentary Association delegation visit regarding modern slavery from a construction sector perspective.

Our programme in Vietnam focusing upon Reducing Risks of Slavery & Trafficking in the Natural Stone Sector will get underway in early 2019. Led by the International Organisation for Migration, the UN Migration Agency, this exciting multi-stakeholder programme will look at building capacity in supply chains and mitigating risks in rural communities.

The cross-sectoral work in India that we have been engaged in through our membership of the International Labour Organisation Child Labour Platform is set to continue apace in 2019. We are increasingly finding that cross-sectoral collaboration is key to gaining traction in sourcing countries where a large percentage of produce remains within the country for the local market.

We are delighted to report that Marshalls has committed to the Science Based Targets Initiative (SBTi). As such throughout the coming year we will be working to establish and set our greenhouse gas emissions reduction targets. These will be consistent with the most ambitious aim of the Paris Agreement, to limit average global warming to 1.5°C by the end of the century compared to pre-industrial temperatures.

“For Marshalls, human rights is proving to be a platform for business innovation, galvanising collective action, moral fortitude, meaningful collaborations with new business partners and long term sustainability; making sure we’re a company that young people want to work for, investors want to invest in and governments want to partner with.”

Martyn Coffey, CEO, Marshalls plc
Children's Rights & Business Principles Audit

Progress on our third Children’s Rights & Business Principles Audit has been slowed due to our desire to link this with the work which we are now driving forward with the IOM and the ILO Child Labour Platform. We are now confident that this CRBP audit will be completed before the end of 2019. Together with the other strands of work this will help us to assess our progress and identify the priorities for the coming two years.

Modern Slavery Ambassadors

Marshalls now has seven strategically placed Modern Slavery Ambassadors throughout our UK operations. They have proved invaluable, sharing their knowledge of modern slavery in relation to their own areas of expertise, supporting colleagues and connecting with a wide range of external stakeholders. Throughout 2019 we are set to increase the number of Modern Slavery Ambassadors as we work to ensure that Marshalls is as toxic as possible to those organised criminals who seek to exploit vulnerable individuals and businesses.

Please do enjoy reading this our 10th annual Communication on Progress, and to finding out how by being a sustainable business we seek to gain a competitive advantage for our business and make a net positive impact, all while playing our part to contribute to the realisation of the Global Sustainable Development Goals.

Chris Harrop OBE
Group Marketing and Sustainability Director
Marshalls plc
Marshalls becomes a UNGC signatory and a Global Compact UK Network member.

Fairstone India brought to market.
Marshalls acts as catalyst for the formation of the Ethical Stone Group within ETI.
First company to carbon label over 2000 of its products.
Grass roots worker and community programmes in India.

2009

Human Rights Policy Published.
Social auditor programme begun in India.
Supplier education, dialogue and collaboration event with UNGC UK.
Development of Marshalls long term human rights programme based on Ruggie Framework.

2010

Marshalls commits to UN CEO Water Mandate.
Fairstone China launched.
Chris Harrop appointed Chair of UNGC UK Network.
Children’s Right Policy published.
First CRBP audit undertaken.

2011

Marshalls acts as catalyst for the formation of the Ethical Stone Group within ETI.
First Modern Slavery statement published.
Second CRBP undertaken resulting in top 10 priorities.
UNICEF research published.
Marshalls response to UNICEF research published.
Marshalls Human Rights internal training programme launched.

2012

Marshalls commits to UN CEO Water Mandate.
Fairstone China launched.
Chris Harrop appointed Chair of UNGC UK Network.
Children’s Right Policy published.
First CRBP audit undertaken.

2013

Living Wage accreditation achieved.
Product innovation – products to address water/floods launched.
Marshalls Stone Standard launched.
First company to achieve BES 6001 Responsible Sourcing verification.
Fair Tax accreditation achieved.

2014

Marshalls UNGC Signatory for ten years

2015

Living Wage accreditation achieved.
Product innovation – products to address water/floods launched.
Marshalls Stone Standard launched.
First company to achieve BES 6001 Responsible Sourcing verification.
Fair Tax accreditation achieved.

2016

WEPS Gap Analysis undertaken.
Ethical Risk Index developed and launched.
UNGC UK Modern Slavery Working Group.
First company to achieve BRE ELS verification.
Marshalls becomes a member of the ILO Child Labour Platform.
First business to engage with West Yorkshire Anti-Trafficking Network.
M-Way Supplier Code of Conduct published.

2017

CEO Water Mandate Reporting.
Committed to science-based environmental target.
IOM multi-stakeholder Vietnam Programme agreed.
UNICEF cross-sectoral programme engagement and development.
BRE SDG reporting framework.
Partnership with Hope for Justice.
Modern Slavery Ambassador programme launched.

2018

ILO Child Labour Platform cross sectoral initiative begins.
One of first to commit to GLAA Construction Industry Protocol.
Partnership with Hope for Justice.
Modern Slavery Ambassador programme launched.
Scope of Operations

UK - HQ and Manufacturing
BELGIUM - Manufacturing
CHINA - Quality & Ethical Compliance Office and Sourcing
INDIA - Sourcing
TURKEY - Sourcing
VIETNAM - Quality & Ethical Compliance Office and Sourcing
NORTH AMERICA - Office
EGYPT - Sourcing
EUROPE - Sourcing
MIDDLE EAST - Marketing Office
Marshalls Brand Manifesto

We are all influenced by our environments and the better our environment the better we can be.

Marshalls believes that we all need places that make us feel safer, happier and more sociable. Places to be ourselves, where we can live, play, create and grow. That belief drives us to be the best we can be. To design and produce new products which are better than anything else available. To make them from the best materials we can source and to care about the impact that our company and its products have on our society.

Above all, our belief fuels the passion on which Marshalls is built.

To architects, town planners, civil engineers, builders merchants, paving installers and home owners, we pledge a passion to bring to life all that you can imagine. A passion that will enable you to breathe new life into those corners of the landscape where potential lies unfulfilled and unchallenged.

Our passion pervades everything we do. We use our expertise to create integrated landscapes which promote wellbeing so the benefit of everyone. So, whether it’s through finely graded stone, providing products which alleviate flood risks, enabling our business partners to share in our success or creating innovative street furniture that protects us from attack, we proudly strive to make our world a better place. One stone, patio, pavement, town square or car park at a time.

Once this report is submitted to the UNGC and published online, it will be volunteered for peer-review by a randomly selected group of corporate members and observers of the Global Compact UK Network. Any suggested changes will be made and the report will be re-submitted, if required, to the UNGC following the peer review process.

Marshalls has sought to extend stakeholder engagement in the COP process by inviting feedback from employees, customers, suppliers, partners, NGOs, influencers, third parties and peers to assess the company’s progress.

Marshalls looks forward to receiving comments from its wide range of stakeholders.

Please direct any feedback to Elaine Mitchel-Hill
elaine.mitchel-hill@marshalls.co.uk

Achievement Indicators

<table>
<thead>
<tr>
<th>Collaborating &amp; Sharing Best Practice</th>
<th>Delivering Best Practice</th>
<th>Achieving Good Results</th>
<th>Reviewing Feedback &amp; Developing Our Approach</th>
<th>Piloting New Initiatives</th>
</tr>
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<tbody>
<tr>
<td>79%</td>
<td>42%</td>
<td>37%</td>
<td>40%</td>
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Throughout this and all other Marshalls Communications on Progress you will find a self-assessment indicator which represents what Marshalls believes it is achieving in relation to each of the principles. Marshalls will strive to improve its achievements year-on-year.

Marshalls initially developed its own indicators for its COP reporting rather than use an existing one, such as the Ethos Indicators and Global Reporting Initiative (GRI) methodology.

Each indicator is broken down in percentage terms, which allows any progress made to be identified by all readers of this report with ease. It is also intended to make any year-on-year comparisons clear, uncomplicated and informative.

Marshalls constantly monitors best practice in its sector, as well as in the field of corporate responsibility and sustainability reporting. Any informative developments and advancements in this area will be introduced into subsequent COP reports.
Marshalls is proud to have retained its Superbrand status. Published annually since 1995, the Superbrands Annual documents some of the strongest consumer and business-to-business brands in Britain today. The book establishes how Superbrands manage to achieve outstanding success.

For clarity it is worth stating that brands cannot apply or pay to be considered for Superbrand status. Only following a rigorous and independent selection process is the accolade awarded on an annual basis.

The 2018 Superbrand book provides insights into Marshalls’ branding strategy and business success. Further information can be found at www.superbrand.uk.com

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Product Innovation: Marshalls Counter Terror Solutions

The threat of terrorists targeting crowded public places provides urban planners and designers with a new and complex challenge. The need to create safe spaces offers those responsible for their design and protection a difficult compromise between maintaining the open, liveable nature of the public realm and the necessity for security - especially in those cities that have built global reputations on their aesthetic attraction. This dichotomy - and our attempt to address the issue thus far - does raise a fundamental question about how the inclusion of effective security will change the nature of the urban spaces we share.

In her study ‘Invisible Security: The impact of counterterrorism on the built environment’ Rachel Briggs writes: “It has been argued that ‘security’ has become the justification for measures that threaten the core of urban social and political life - from the physical barricading of space to the social barricading of democratic activity - that rising levels of security in cities will reduce the public use of public space”*. And we’d agree: what societal purpose would a fortified public space serve if it made the public feel more fearful and less social?

As terrorists have re-thought their tactics, we considered it important to re-think the way in which cities protect themselves from the growing threat of vehicular attack. How can security be more subtly integrated in the design of our public spaces? Unobtrusive, unthreatening - effectively hiding in plain sight.

That’s a subtle, but vital observation: that it’s really the people within our urban landscapes that require protection, not merely the architecture and the infrastructure. And we placed that at the heart of our new approach to creating safer urban spaces.

“Achieving a positive relationship between counter-terrorism and the built environment will rest on our ability to find ways of bringing together those who design spaces with those who secure them and those who use them, to explore new urban forms which can deliver people-centred counter-terrorism.”

Rachel Briggs

Designed to help promote long-term economic and environmental benefits, Marshalls’ Renaissance Paving is a lightly textured paving solution created using 80% recycled content and non-virgin aggregates.

The product was developed according to the Waste & Resource Action Programme (WRAP) ‘Rule of Thumb’ guidelines on recycled or recovered materials in construction projects, making it an ideal choice if sustainable design is a consideration. Manufacture of the paving makes efficient use of materials, reusing water resource sustainably.

Construction clients and planning authorities are increasingly setting requirements to encourage greater use of recovered materials within construction projects. WRAP has been promoting and facilitating this trend as one contribution to waste reduction, reuse and recycling. The aim of the ‘Rules of Thumb’ guide is for the calculation and declaration of recycled content in construction products. The guide has been developed for WRAP by BRE in consultation with product manufacturers and their trade associations.

WRAP works in partnership to encourage and enable businesses and consumers to be more efficient in their use of materials and recycle more things more often. This helps to minimise landfill, reduce carbon emissions and improve our environment.


Product Innovation: Marshalls Renaissance Paving

Product Innovation: Surface Performance Technology

SPT® covers all products that have something unique about them. Elements that provide a premium Surface, extraordinary Performance or innovative Technology.

Our Commitment

Marshalls is committed to providing high performance product solutions and uses exceptional expertise in hard landscaping to introduce advanced options.

By choosing products with the SPT® stamp, you can have total confidence that you have chosen a high quality product.

We have doubled the product guarantee on SPT® products up to 20 years for peace of mind.

- Engineered for performance
- Distinctive colour options
- Premium textures
- A wide variety of sizes
- 20 year product guarantee available

Sustainable Development Goals & How Marshalls is Contributing

The Sustainable Development Goals are unique in that they call for action by all countries, poor, rich and middle-income to promote prosperity while protecting the planet. They recognize that ending poverty must go hand-in-hand with strategies that build economic growth and addresses a range of social needs including education, health, social protection, and job opportunities, while tackling climate change and environmental protection.

How Marshalls is Contributing to the Sustainable Development Goals

By being a UNGC signatory Marshalls is already contributing to the implementation of the SDGs. The UN Global Compact together with UN partners hosts a number of global issue platforms many of which Marshalls is involved in; the CEO Water Mandate, the Women’s Empowerment Principles, Children’s Rights & Business Principles and Business for Peace.

SDG1: Living Wage, Elimination of Child Labour, Elimination and Prevention of Modern Slavery.

SDG2: Living Wage, Global Living Wage Alliance Benchmarking Engagement, ETI Base Code Implementation.

SDG3: UK Employee Wellbeing Programme, Mind Charity of the Year Support.


SDG5: UN Women Women’s Empowerment Principles Engagement, Marshalls Women ‘Step it Up’ Network.


SDG7: Marshalls use of solar power within its own business operations, product innovation in embedding solar technology discretely into the fabric of structures and buildings.

SDG8: Fair Tax Mark, Ethical & Sustainable Supplier Code of Conduct, Apprentice Training Programme, Living Wage, UN Women Women’s Empowerment Principles Engagement.

SDG9: New Product Research & Development Programme, New Product Innovation such as; Solar Technology Embedded Products, Anti-Terrorist Street Furniture, M-Live Technology Embedded Products.


SDG13: Product Carbon Footprints, Marshalls Environmental KPIs, New Product Research, Development & Innovation Programme.

SDG14: Water quality improvement from permeable paving sub bases preventing river pollution preventing sea pollution, ask Chris G

SDG15: FSC Policy, Product Innovation; Bioverse, Grassguard.


SDG 16: Focus on the Fair Tax Mark

The Fair Tax Mark is the label for good taxpayers. Wherever you see the Fair Tax Mark you can be sure that a company is open and transparent about its tax affairs and seeks to pay the right amount of corporation tax at the right time in the right place. It sets a new standards in responsible tax practice.

SDG13: Climate Action – Focus on Science Based Targets

Marshalls commitment to the Science Based Targets Initiative will ensure that we continue to innovate and play our part to limit average global warming. Our engagement will enable us to set greenhouse gas emissions reduction targets consistent with the most ambitions aims of the Paris Agreement to limit average global warming to 1.5°C by the end of the century compared to pre-industrial temperatures.

SDG6: Focus on Modern Slavery

Delivering against our Modern Slavery KPIs means that Marshalls is operating beyond compliance on this fundamental issue. Our work extends to both our UK operations and overseas supply chains and involves active collaboration with our peers and meaningful engagement with UK and overseas governments.

SDG8: Decent Work & Economic Growth – Focus on ILO Child Labour Platform Engagement

Marshalls continued active engagement in the ILO Child Labour Platform regarding the ongoing issue of child labour in the Indian sandstone sector and the root cause of bonded labour. Since 2005 when our business engaged in shining a light on these issues Marshalls has worked tirelessly in various ways with a wide range of actors – including IGOs, NGOs, state and local government – to get traction on these issues which prevent decent work and economic growth. Marshalls has been heavily involved in the ILO Child Labour Platforms ongoing work in the area and remains absolutely committed.

SDG5: Women Women’s Empowerment Principles Engagement.

SDG4: UN Women Women’s Empowerment Principles Engagement.


SDG7: Marshalls use of solar power within its own business operations, product innovation in embedding solar technology discretely into the fabric of structures and buildings.

SDG8: Fair Tax Mark, Ethical & Sustainable Supplier Code of Conduct, Apprentice Training Programme, Living Wage, UN Women Women’s Empowerment Principles Engagement.

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SDG15: FSC Policy, Product Innovation; Bioverse, Grassguard.


During 2018 Marshalls took part in BITC’s Forerunners Responsible Business Tracker process.

Responsible Business Tracker® - Helping businesses to measure how responsible they are

What is the Responsible Business Tracker®?
The Responsible Business Tracker® is a measurement tool designed to enable a business to measure its performance as a responsible business.

The Tracker is aligned with the Global Goals (the United Nations Sustainable Development Goals) that underpin the Business in the Community Responsible Business Map. The Tracker enables a business to navigate and contribute to the realisation of the goals by identifying the key issues that need to be addressed to ensure long-term financial value, enabling both society and the planet to thrive.

What areas of business does the Responsible Business Tracker® cover?
The Tracker covers the whole responsible business agenda, aligns with the Global Goals, caters for medium and large businesses in all sectors, and is suitable for both listed and unlisted businesses. It offers not just a gap analysis but also benchmarking and recognition.

How often will the Responsible Business Tracker® cycle run?
The Tracker is a biennial tool. A biennial cycle enables organisations to focus and work on the feedback received from their Corporate Adviser in a timely fashion before embarking on the next cycle.

Can my business participate in the Responsible Business Tracker®?
Business in the Community is now piloting the Responsible Business Tracker® with 82 forerunner member companies from 26 sectors. Participating companies will trial the survey tool between September and December 2018. After completing the survey, they will receive practical tips and examples of good practice, as well as tailored advice and an action plan from a Business in the Community Corporate Adviser. The first public cycle will open in 2019.

Company Performance Assessments for Marshalls

Strength 1
Marshalls demonstrates a strong approach to tackling modern slavery, well above compliance and audits. BITC was particularly impressed by the efforts to undertake undercover human rights investigations in India and awareness raising activities in Vietnam, to prevent human trafficking.

Strength 2
Marshalls engages customers in environmental issues. Working with the Carbon Trust, the company undertook life cycle greenhouse gas emissions assessments of their products. The online carbon calculator empowers customers to make purchasing decisions based on the environmental impacts of goods and services.

Strength 3
Marshalls has a strategy for resource productivity and for healthy ecosystems (water, land management and biodiversity), underpinned by KPIs and targets.
End Modern Slavery: Time to Act

My business experience over a lifetime has shown me that there is no sharp line between the moral imperative and the business one and sustainable business depends on a sustainable world. Where modern slavery and child labour persist, decent work simply cannot exist. It undermines a sustainable future for all of us.

Since our early human rights work in 2005 we know that forced labour, modern slavery and child labour are complex problems associated with poverty, governance failures and inequalities in the global labour market. Individual businesses cannot simply go-it-alone to solve issues; we know this from experience in trying to push out in our sector, shine a light on issues of child labour, and gain traction. Tackling these issues requires a massive international effort, involving governments, businesses, civil society organisations, trade unions and international bodies.

All businesses everywhere, regardless of size or sector have a responsibility to respect human rights, as recognised by the UN Guiding Principles on Business & Human Rights. We believe this, we know this and we are working in a plethora of ways throughout our business operations and supply chains to do all that we can, and more.

As UNGC signatories we subscribe to the view that businesses must take 5 steps to help eliminate slavery*; get commitment and resources; assess actual and potential labour rights risks; identify corporate leverage, responsibility and actions; remedy, mitigate and prevent harm to workers; and report, monitor, review and improve. I hope that you can see within this document that we're working hard in all of these areas.

Working to eradicate slavery and uphold human rights for us is not about compliance or risk mitigation, but about building strong and fair business strategies which help us achieve our core mission of ‘Better Futures’, for everyone including our communities overseas and the victims and survivors of modern slavery.

For Marshalls, human rights is proving to be a platform for business innovation, galvanising collective action, moral fortitude, meaningful collaborations with new business partners and long term sustainability; making sure we’re a company that young people want to work for, investors want to invest in and governments want to partner with.

Martyn Coffey, Marshalls CEO

* [https://www.unglobalcompact.org/docs/publications/Its_Time_To_Act.pdf](https://www.unglobalcompact.org/docs/publications/Its_Time_To_Act.pdf)
End Modern Slavery: Giving Workers Voice, Choice & Remedy

Modern slavery, including forced labour and child labour, are more prevalent in some countries and economic sectors, but absolutely none are immune to these abuses. Our own modern slavery risk mapping and country profiling analysis(a) confirms that the risks exist everywhere but just to a greater or lesser extent based on various drivers, such as the rule of law, labour rights, gender equality, government efforts to combat trafficking, the protection of children from exploitation, access to banking, and education, health and standards of living.

The statistics look daunting; 25M people estimated to be in forced labour, 152M children estimated to be victims of child labour – 73M of these in hazardous work, $150BN estimated to be made in illegal profits from forced labour. Add to this the 77% of companies who believe there is a high likelihood of modern slavery occurring in their supply chain and you have a challenge of gargantuan proportions. It can be bewildering for businesses and difficult to know where to start.

One of the central pillars to all of our work to uphold human rights and eradicate modern slavery remains the implementation of the ETI Base Code(b) throughout our business operations and supply chains worldwide. Through this work we seek to give workers a choice, a voice and access to remedy. Marshalls has just redefined its ETI Strategic Plan 2018 – 2020 objectives. These have been developed to support, strengthen and maximise our existing business & human rights programme and the commitments made in our Modern Slavery Statement(c). They honour our continued commitment to ETI Base Code implementation, take inspiration from the ETI’s Human Rights Due Diligence Framework, and will ultimately further embed and integrate ethical trade into our business activities and decision making, and seek to improve conditions for workers, their family and communities. It will also enable us to further identify risks in relation to modern slavery and to develop existing and new ways in which we can address both remediation and offer additional appropriate support to vulnerable individuals and the communities most affected.

Chris Harrop OBE, Group Marketing and Sustainability Director, Marshalls plc

(b) ETI Base Code: https://ethicaltrade.org/sites/default/files/shared_resources/base_code_poster_1_english.pdf

2 Profits and Poverty: The Economics of Forced Labour, ILO, 2014
3 Corporate Leadership on Modern Slavery, The Ethical Trading Initiative (ETI) and Hult International Business School, 2016

25M
152M
$150BN
77%

people are estimated to be in forced labour. According to the ILO, 16 million of these women and men work in the private economy.

children are estimated to be victims of child labour. Almost half of them — 73 million — are in hazardous work.

estimated to be made per year in illegal profits from forced labour.

of companies believe there is a high likelihood of modern slavery occurring in their supply chains, according to one survey.
End Modern Slavery: Disrupt and Dismantle

Business has a stark choice. It can act with immediacy to disrupt and dismantle the criminal organisation exploiting and abusing vulnerable individuals – men, women and children whether in forced labour, domestic servitude, being sexually exploited or a combination of these and more besides – or it can stand by and see its own operations and existing commercial landscape disrupted and dismantled before its eyes by criminals whose ingenuity, adaptability, disregard and cruelty knows no bounds. They do not have to get ‘sign off’ from boards, develop complex strategies or sit in endless meetings before making the most of opportunities. They simply take them and in the process disrupt and dismantle your operations.

According to a very recent report by the Chartered Institute of Building, Construction & the Modern Slavery Act: Tackling Exploitation in the UK*, many within the construction sector have done little or nothing in response to the Modern Slavery Act. I honestly have to wonder why. Many bemoan the shortcomings of the Act saying it doesn’t have teeth. We’ll have to wait and see. But why wait for the Act to bear its teeth? Why not just do the right thing? For us the Modern Slavery Act has proved a massively powerful platform and driver for engaging and empowering people throughout our business operations, for starting new and challenging conversations with our suppliers, helping us to identify a new and fresh range of partners with which to collaborate, providing the push to have difficult conversations about complex issues with key stakeholders, and also to improve further our own business thinking in response. It has added huge value to our business & human rights programme and in terms of added value it has also delivered commercial advantage.

I have heard reference in the last 12 months to the ‘corporate witness’ who pretty much knows modern slavery is in its operations and supply chains but thinks that if it doesn’t know for sure that it can’t be held accountable; the ‘corporate perpetrator’ who actively reaps the benefits from modern day slavery having decided that they will deal with issues as they occur in fire-fighting mode; and finally the ‘corporate victim’, the organisation that is doing its utmost to combat modern slavery but is still, despite its best efforts, infiltrated by modern slavery. I know for sure into which camp Marshalls falls.

The extent of modern slavery in the UK shows little sign of stopping or slowing, but why would it when it is so attractive to traffickers to exploit people here. Although modern slavery is considered to be more prevalent in poorer nations, advanced economies provide lucrative incentives for traffickers. In Africa, the ILO estimates that a trafficked person may generate US$3,900 in profits. In the Asia Pacific region, the annual profit per victim is $5,000. But in wealthier nations such as the UK, each victim could generate $34,800 a year.* It remains lucrative and prevalent and will do so until many, including the private sector, act.

So, the construction sector, and business at large, must choose. Disrupt and dismantle, or take a seat and watch your business operations be disrupted and dismantled.

Elaine Mitchel-Hill, Business & Human Rights Lead, Marshalls plc

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* CIOB Construction & the Modern Slavery Act: Tackling Exploitation in the UK
End Modern Slavery: Implementation Timeline

November 2016
BRE ELS-6002 audit takes place. MS risk mapping and awareness raising supply chain overseas field visits. Co-host Indian Sandstone Stewardship event, Delhi, India.

October 2016
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Developed pilot education programme with our temporary labour provider; delivered Jan/ Mar/ Jun 2017.

September 2016
Face-to-face meeting with key customers to share approach to MS and discuss collaborations.

August 2016
Joined UNGC UK Modern Slavery Working Group.

July 2016
Development of internal protocols regarding MS in UK business operations. Internal online MS training launched.

June 2016
Launch of MS internal awareness campaign.

December 2016
Development of M-Way Supplier/Employee Code of Conduct.

January 2017
Global partnership with Hope for Justice announced. Field visits to Vietnam; meetings with British Embassy & NGO’s. Intensive training for procurement team. Training and appointment of 1st MS Ambassador. Training and appointment of 2nd MS Ambassador. MS Ambassador delivers MS training to Marshalls Registered Installers.

February 2017

March 2017
Ethical auditing & modern slavery risk assessment visit to India with anti-slavery partner and independent auditor. Invited to join the West Yorkshire Anti-Trafficking & Modern Slavery Network. Development of Business & Human Rights Yammer Platform internally.

April 2017

May 2017
2nd MSA Statement Published. M-Way Supplier Code of Conduct published externally. Launch of Marshalls independent IT platform; MS and ABC training for all suppliers.

June 2017
Publication of Marshalls first End Modern Slavery Report.

July 2017
Publication of Marshalls first MS Risk Mapping Country Profiling. Launch of Ethical Risk Index.

August 2017
Filming with Supply Chain School to share ethical & MS journey.

September 2017
WYATN quarterly meeting. 3rd MSA Ambassador Appointed: Commercial.

October 2017
Marshalls one of first to commit to GLAA Construction Industry Protocol. IPEC CPL meeting Geneva.

November 2017
BHRL & anti-slavery partner visit to Vietnam supply chain & meetings with multi-stakeholders. Shortlisted for Thomson Reuters Foundation Stop Slavery Award.

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January 2018
Belgian business operations briefed on MS by BHRL Lead & Group Procurement Director. Presentation with anti-slavery partner to UNGC MS Working Group to share progress & challenges.

February 2018
Marshalls achieves BRE Ethical Labour Standard 6002 Accreditation for the second year running.

March 2018
ILO IPEC Child Labour Platform meeting in Paris; development of collaborative initiative with global brands.

April 2018

May 2018
Changing the Narrative for Ethical Specification Event with Baroness Young. 3rd MSA Statement Published.

June 2018
Publication of Marshalls 4th & 5th MSA Ambassador: HR & Logistics Appointed. Marshalls becomes Bright Future Business Partner. MS risk mapping undertaken and shared transparently.

End Modern Slavery: Implementation Timeline

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Changing the Narrative for Ethical Specification in Construction

Mike Plaster is Commercial Product Manager at Marshalls. He is also one of Marshalls strategically recruited Modern Slavery Ambassadors: Commercial. It was Mike, together with Abigail Brown, Marketing Manager: Minerals Products, who developed and facilitated an important event together with ‘Future Constructor & Architect Magazine’ to kick-start a new conversation in the construction sector.

Mike says, “The driver was to raise key questions which aren’t yet being asked in relation to modern slavery and the specifying and procuring of construction materials. We aimed to start a wider discussion about the future of ethical specification and procurement in construction and to engage specifiers, architects, procurement specialists and others to better understand their own impact on modern slavery within the sector, and their influence and responsibility.”

The UK construction sector displays a raft of highly undesirable factors which increase the risk of exploitation of people throughout supply chains; both in the UK and overseas. With major contractor profit margins below 1%, SME’s making up 99% of the industry, multiple tiers where money is withheld at each level, low cost tendering, late payment and abuse of retentions, the highest insolvency rates of any industry and ethical players priced out of the market, this is the backdrop against which todays construction specifiers and procurement specialists make their decisions. So, the question was posed, how do you weigh and measure all of the information that you have before making your decisions? Decisions which reverberate throughout the full length of the sector’s supply chains.

End Modern Slavery: Focus on India

Undercover Human Rights Observations & Investigations Activity

For the past 6 months Marshalls has been working with its anti-slavery partner Hope for Justice and the NGO’s network of contacts in India to undertake detailed undercover human rights observations and investigations. Only two people within Marshalls knew of this activity which has allowed it to be carried out completely undercover. This activity focused upon both Marshalls’ own supply chain and the wider sector in both Kota and the surrounding quarrying areas. The findings and recommendation from this report will be forthcoming in the autumn and will inform Marshalls’ programme of activity in India moving forward.

Chris Harrop, Group Marketing Director, says, “It’s important to be smart and utilise a wide range of approaches to monitor both supply chain activity and to understand the detail of the entire sector more broadly. Whilst ethical audits, human rights impact assessments, modern slavery risk assessments and walking the supply chain regularly all form part of our monitoring activity, this undercover human rights observation and investigation brings another important dimension to our understanding.”

Business & Human Rights Lead, Elaine Mitchel-Hill, added, “Our planned modern slavery training programme for our suppliers in India is of key importance in terms of grass roots activity. This will be complemented at a strategic level by our engagement in an initiative by ILO IPEC Child Labour Platform, together with a number of global brands, to drive change more widely in terms of modern slavery. It’s important for us to be working at all levels to play our part in driving the necessary change.”

End Modern Slavery: Focus on the UK

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* CIOB Construction & the Modern Slavery Act: Tackling Exploitation in the UK
End Modern Slavery: Focus on Vietnam

Rural Community Awareness Raising programme: Preventing Human Trafficking

Business & Human Rights Lead, Elaine Mitchel-Hill, says, “Work has continued by our anti-slavery partner, Hope for Justice, on the delivery of preventative human trafficking and modern slavery information to communities in Vietnam. There are a number of strong drivers for us to do this. Firstly and quite simply preventing the exploitation, abuse and heart ache of vulnerable individuals who are very often coerced into thinking they are leaving Vietnam for a better life in the UK. We are also working in support of the Anti-Slavery Commissioners Office to stem the flow of those trafficked to the UK from Vietnam through preventative measures. This kind of community engagement also helps us to manage medium term risks for our business – should people be trafficked out of the rural areas where stone is quarried, this leaves a vacuum into which others could potential be trafficked thereby increasing the likelihood of victims of trafficking and forced labour being in supply chains. We will look to extend this activity into 2019.”

Multi-Stakeholder Collaboration

Marshalls has continued its dialogue with a range of stakeholders in Vietnam including the British Embassy, Vietnamese Chamber of Commerce & Industry and the International Office for Migration Vietnam with a view to actioning a multi-stakeholder collaboration in the first half of 2019.

This programme will seek to engage Marshalls’ suppliers in Vietnam in a pilot programme addressing modern slavery through the lens of forced labour. Once trialled and tested the programme can then be rolled out to the wider stone sector.

Meanwhile, Hope for Justice, has continued its drive to make the necessary connection in order to be given the license to operate in Vietnam. This will allow Marshalls to develop in conjunction with Hope for Justice a restoration and remediation programme for any victims of forced labour, modern slavery and human trafficking identified as a result of the programme.

Neil Wain, International Programme Director, commented, “It’s absolutely right that we develop an appropriate and high quality remediation pathway for any victims identified either during the multi-stakeholder programme or the community outreach work. Marshalls’ victim-focused approach has meant that both the programmes and remediation and support for victims has had to be developed simultaneously. This is most definitely the right approach as this is not just about mitigating risk, but about restoring lives and communities.”

“With a growing labour force and expanding export-oriented economy, Vietnam is experiencing increasing rates of labour mobility from rural to urban centres, to industrial centres and abroad. Migrant workers always strive for better futures but also remain a group that is highly vulnerable to modern slavery. Addressing the root causes of modern slavery for migrant workers and other vulnerable groups can be very challenging for a single actor. IOM, the UN migration agency, therefore places strong emphasis on bringing the right actors together and working in close partnerships to tackle this issue.

“It is clear to IOM, that businesses have emerged as a key driver for the elimination of modern slavery. Once genuinely committed, business has the ability of creating sustainable solutions within their own operations and supply chains, but can also show leadership to inspire other stakeholders to take similar action. Marshalls initiative in Vietnam involving communities, government, local organizations, and international partners to counter human trafficking risks in rural communities can form such an example. We believe that IOM’s Corporate Responsibility in Eliminating Slavery and Trafficking (CREST) Programme aligns well with Marshalls objectives and we stand ready to provide our close support to this important initiative.”

David Knight, Chief of Mission for Viet Nam Regional Coordinator for Vietnam, Cambodia and Lao PDR

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* CIOB Construction & the Modern Slavery Act: Tackling Exploitation in the UK
Building on the success of creating awareness and understanding of modern slavery with Marshalls Installer Register, a UK-wide register of Marshalls certified patio and driveway installers, the organisation is nearing the point where it will launch a UK-wide modern slavery initiative driven by its logistics team and newly appointed Modern Slavery Ambassador: Logistics.

The programme will build upon the modern slavery training of the 20+ logistics team managers, and their direct reports. Paul Battison, Head of Fleet and Logistics, says, “We will soon have an entire army of logistics personnel across the country who know how to spot the signs of modern slavery and how to report it safely. They will be powerful eyes and ears not only in our own business operations but also when making deliveries to merchants and construction sites across the UK.”

Dave Jessop, Marshalls Register Manager & Modern Slavery Ambassador: Installers, commented, “Empowering our logistics operation to engage in the fight against modern slavery is absolutely the right thing to do. We have been able to pass on 6 pieces of intelligence to local law enforcement, the GLAA and our anti-slavery partner as a result of raising awareness with our installers. I can say with certainty that once people know what to look for and what to do it’s a very clear and unequivocal choice for them.”

End Modern Slavery: The Power of Logistics

In 2018 Marshalls announced its engagement with the Co-op’s Bright Future programme which offers the opportunity of a paid work placement and a job for those who have been rescued from modern slavery in the UK. Marshalls is the first in the construction sector to join Bright Future and is announcing its support and becoming a Bright Future Business Partner.

The Co-op launched this job creation programme in April 2017 which was developed in partnership with anti-slavery charity City Hearts. Bright Future is a new approach, and is a UK first in terms of major businesses offering work placements to survivors of modern slavery.

With the support of City Hearts, a northern-based charity dedicated to supporting modern slavery victims, the Co-op is creating a national matching system that will enable other companies to work with other local charities to create jobs for victims of modern slavery and human trafficking.

As a Bright Future Business Partner, Marshalls will provide survivors with a four-week paid work placement leading to a non-competitive interview. If this is successful and there is a position available, the candidate will be offered a job within the business.

Paul Gerrard, Policy and Campaigns Director at the Co-op says, “Marshalls has set the standard in so many ways about what a responsible business should do when it comes to addressing slavery. The Co-op are, therefore, delighted that Marshalls have chosen to commit to being a Bright Future Business Partner and offer employment opportunities to victims of modern slavery through the National Matching System. We’re looking forward to working with them to change the lives of some of the most vulnerable in our society.”

Elaine Mitchel-Hill, Business & Human Rights Lead at Marshalls says, “Survivors of modern slavery have been through terrible ordeals and we want to make sure that as a business we can assist them in a positive way. With 50+ sites across the UK Marshalls is in a great position to assist. Bright Future makes sense for the survivor, for communities and for our business.”
End Modern Slavery: Committing to the GLAA Construction Protocol

Marshalls became a signatory of the GLAA Construction Protocol in late 2017 and has been actively engaged throughout 2018. This Protocol is a commitment to work in partnership to protect vulnerable and exploited workers, agreement to the sharing of information to help stop or prevent exploitation and a pledge to raise awareness of slavery through supply chains within the construction sector.

Martyn Coffey, Marshalls CEO, commented, “We are working hard and smart to make sure that Marshalls’ business operations and supply chains worldwide are as toxic as possible to the organised criminals who seek to exploit individual workers and corporations. I welcome the GLAA Construction Protocol and its call for industry collaboration.”

Paul Broadbent, chief executive of the GLAA, at the time said “There are huge profits to be made for those unscrupulous enough to exploit people and trade them as commodities. The signing of this protocol is a significant moment in our commitment to eradicate modern slavery and labour exploitation in the UK. It sends out a message that legitimate businesses are not prepared to sit back and allow themselves to be infiltrated by those who abuse and exploit vulnerable workers. The GLAA is the enemy of illegal working practices and criminality, and a friend to legitimate businesses targeted by those who commit exploitation.”

Dr Shamir Ghumra, Director for the Centre for Sustainable Products, BRE, and co-chair of the Modern Slavery in Construction Coalition, said: “We welcome the GLAA protocol which we hope will ultimately work towards the eradication in our industry of this most heinous of crimes.”

Marshalls, and other signatories, have all agreed to raise awareness within supply chains to help prevent and protect workers from exploitation or abuse and take necessary steps to ensure that exploitation and abuse of workers is recognised and addressed with appropriate safeguards put in place to ensure that exploitative practice is not repeated.

End Modern Slavery: Modern Slavery Ambassador Profiles

**Dave Jessop**
Marshalls Register Manager
Modern Slavery Ambassador: Installers

- Raising and maintaining awareness of modern slavery with Marshalls UK-wide approved installers register.
- Liaising with Marshalls’ anti-slavery partner/local law enforcement regarding intelligence provided.

**Karen Preiss**
Category Manager Indirect Purchases
Modern Slavery Ambassador: Procurement

- Working with Marshalls’ temporary labour provider on modern slavery training programme.
- Keeping the procurement team updated regarding developments in terms of modern slavery and sustainable procurement.

**Mike Plaster**
Commercial Product Manager
Modern Slavery Ambassador: Commercial

- Raising awareness of modern slavery with specifiers, contractors, architects and others in the UK construction sector.

**Kirsty Simpson**
Group Human Resources Advisor
Modern Slavery Ambassador: Human Resources

- Keeping HR colleagues informed and updated on modern slavery trends, data and issues.
- Facilitating Marshalls’ engagement in Bright Future job placement initiative for victims of modern slavery.

**Paul Battison**
Head of Logistics
Modern Slavery Ambassador: Logistics

- Facilitating the training of the logistics team within Marshalls UK operations.
- Facilitating the delivery of the ‘Power of Logistics’ modern slavery programme.

**James Eastwood**
Marshalls, Driver

- Raising awareness of modern slavery issues with colleagues at the sharp end.
- Keeping logistics colleagues informed and updated on Marshalls Power of Logistics initiative.
- Practical delivery of Power of Logistics initiative.

**Ryan Darcy**
Marshalls, Driver

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- Practical delivery of Power of Logistics initiative.
Modern Slavery Risk Mapping & Country Profiling

We’ve undertaken, and published online, extensive modern slavery risk mapping for all of our existing sourcing countries. This process is also part of our due diligence when we consider new suppliers and sourcing countries. We analyse this modern slavery risk mapping information alongside our internal data; we have developed a comprehensive commodities risk index which included goods for resales, indirect goods and raw materials. This enables us to clearly identify areas of risk and set clear priorities.

Countries Above 0.4 Risk Rating

United Kingdom
0 (Low Scoring): 1 (High Scoring)

Vietnam
0 (Low Scoring): 1 (High Scoring)

India
0 (Low Scoring): 1 (High Scoring)

Countries Above 0.4 Risk Rating

Access to Banking

Rule of Law and Resilience to Corruption

Labour Rights

Government Efforts to combat Human Trafficking

Education, Health, and Standard of Living

Protection of Children from Exploitation

Gender Equality

United Kingdom

Vietnam

India

Countries Above 0.4 Risk Rating

Turkey

Brazil

China

India

Vietnam

Egypt

Pakistan

Gender Equality
“All businesses everywhere, regardless of size or sector have a responsibility to respect human rights, as recognised by the UN Guiding Principles on Business & Human Rights. We believe this, we know this and we are working in a plethora of ways throughout our business operations and supply chains to do all that we can, and more.”

Martyn Coffey, CEO Marshalls.

In order to deliver on our mission of ‘creating better spaces’ we are empowered from a human rights perspective to seek out where we might be unintentionally doing harm and to work hard to put this right, but also to go beyond and to look at how by doing better we can create a net positive impact; so, not just mitigate and remediate, but aim to make a positive contribution. While this aspirational goal is very much work in progress it guides and shapes our approach to modern slavery demanding that we drive for creative and collaborative solutions. Different solutions call for different thinking and different action and this can be uncomfortable and create turbulence, a necessary by-product of change.

Our focus moving forward will very much be on looking at our high risk supply chains overseas and working with our anti-slavery partners, procurement and human resources teams, and others, to ensure that where we find slavery we are well placed to offer support and remediation to victims which is above all appropriate for the situation, but which also seeks to be part of any longer term solution. Here in the UK, we aim to increase preventative and educational work in collaboration with the UN, Hope for Justice, law enforcement agencies, local anti-slavery networks, customers, suppliers, employees, Modern Slavery Ambassadors and partners. We will continue to draw on data from within our operations to help drill down further, alongside the country risk mapping that we have undertaken.

Marshalls’ Human Rights Policy

Marshalls supports human rights consistent with the Universal Declaration of Human Rights. In conducting its business activities across the globe Marshalls respects these rights and seeks to uphold, preserve and promote them.

Marshalls works diligently in all respects to support and uphold the United Nations Guiding Principles on Business and Human Rights. The organisation has a dedicated human rights programme including; human rights due diligence procurement process, ongoing human rights impact assessments, country specific human rights monitoring, social auditing, independent supply chain auditing, employee and supplier training programme, internal human rights awareness programme, Children’s Rights and Business Principles auditing, Women’s Empowerment Principles implementation and human rights monitoring and reporting.

Marshalls is committed to working to eliminate modern slavery and makes an annual Modern Slavery & Human Trafficking Disclosure Statement as required by law.

As part of this process our Human Rights Policy is reviewed on an annual basis.

Marshalls works to ensure that its presence cultivates fair and sustainable relationships. Marshalls respects and values the dignity, well being and rights of employees, their families and the wider community. The Company actively works and collaborates with employees, elected employee representatives, communities, non-governmental and other appropriate stakeholders to uphold and promote these rights.

Where human rights are under threat Marshalls works to uphold local laws, promote international standards and strives to have international standards upheld by the appropriate Governments, Institutions and Agencies.

Marshalls embraces opportunities to promote a broader understanding of human rights values working within its sphere of influence.

Marshalls actively seeks to collaborate with appropriate organisations to promote respect for human rights in a manner which is consistent with the role of business.

January 2017

“Marshalls has a strong and innovative human rights programme. Doing the right thing is part of the DNA of this organisation. Our public commitment to UNGC principles make our choices very clear to us. Our entire team is engaged and motivated. They know human rights are everyone’s business.”

Elaine Mitchel-Hill, Marshalls Business & Human Rights Lead.
Marshalls Fairstone Principles

Marshalls had been shining a light on ethical issues, including labour rights, workers health & safety and children’s rights, since 2005. We were the first to bring our India Fairstone product to market in 2009 where we worked hard to drive improvements not only in our supply chain but across the sandstone sector as a whole. Since then we’ve found that the principles upon which Fairstone was founded are sound, more relevant that ever and apply to all of our natural stone supply chains. We’ve therefore developed Marshalls Fairstone Principles which we apply across all of our natural stone supply chains. We know through our comprehensive auditing and risk mapping processes that we face different challenges in different countries. Our country profiling allows us to put emphasis in the right place, engage with our supply chains on a journey of continuous improvement and to engage with our own and other governments to push for greater change when our own leverage just isn’t enough. These Fairstone Principles are part of how we do business and help to ensure that workers, their rights, family and community remain at the heart of our supply chain endeavours.

IPEC

Marshalls remains an active member of IPEC ILO Child Labour Platform and as such continues its efforts to eradicate child labour in the sandstone sector in India. The CLP’s aims are to identify the obstacles to the implementation of the ILO Conventions in supply chains and surrounding communities, identify practical ways of overcoming these obstacles, and catalyse collective action.

Marshalls is currently engaged in IPEC CLP multi-stakeholder programme in India, together with other big global brands from different sectors who source heavily from the country.

Children’s Rights & Business Principles

During 2019 we will complete our Children’s Rights and Business Principles Audit. This will allow us to refresh our top 10 CRBP priorities and to plan our work in this area accordingly. We are also ensuring that the links between other programmes already underway with the ILO Child Labour Platform and the IOM Vietnam Programme are feeding into this process.

Implementation of the ETI Base Code
We work to uphold the ETI Base Code in all of its forms.

Implementation of Modern Slavery Commitments
We work to deliver on the promises we make within our Modern Slavery Statement.

Rigorous Human Rights Due Diligence
We are thorough in our human rights due diligence and make good business decisions based on this.

Children’s Rights & Business Principles
We put children and families at the heart of our brand and our business, wherever they are in the world.
### Achievements 2018

1. Work to deliver the new 2020 ETI strategy thereby upholding the ETI Basecode throughout our operations.
2. Further improve and develop the reporting process for social auditors and any associated corrective action plans.
3. Further develop our human rights monitoring and evaluation programme in conjunction with our anti-slavery partner, Hope for Justice.
4. Development of our ethical auditing and Modern Slavery Risk Assessment processes and procedures.
5. Further work on the process of embedding human rights within the organisation; working closely with human resources and procurement teams; modern slavery ambassadors and delivering the appropriate internal training regarding human rights & business, especially in relation to modern slavery.
6. Complete our CRBP Audit and revise as appropriate our CRBP top ten priorities.
7. Deliver our third Modern Slavery Act Disclosure Statement and continue to work with ‘critical friends’ to further develop our KPIs.

### Targets 2019

1. Work to deliver the new 2020 ETI strategy thereby upholding the ETI Basecode throughout our operations.
2. Further improve and develop the reporting process for social auditors and any associated corrective action plans.
3. Further develop our human rights monitoring and evaluation programme in conjunction with our anti-slavery partner, Hope for Justice.
4. Development of our ethical auditing and Modern Slavery Risk Assessment processes and procedures.
5. Further work on the process of embedding human rights within the organisation; working closely with human resources and procurement teams; modern slavery ambassadors and delivering the appropriate internal training regarding human rights & business, especially in relation to modern slavery.
6. Complete our CRBP Audit and revise as appropriate our CRBP top ten priorities.
7. Deliver our fourth Modern Slavery Act Disclosure Statement and continue to work with ‘critical friends’ to further develop our KPIs.
8. Deliver the IOM Vietnam programme.
There are four objectives which Marshalls will seek to deliver between 2018 and 2020:

**ONE**
Develop and embed internal processes and procedures which allow Marshalls to effectively assess actual and potential human rights risks and the effectiveness of ETI Base Code implementation in its business operations and global supply chain.

**TWO**
Collaborate with suppliers, agents, ILO, IPEC, anti-slavery partners, the Anti-Slavery Commissioners Office, governments and other actors to identify, prevent and mitigate human rights abuses in Marshalls own business operations and supply chains, and in the wider construction sector.

**THREE**
Develop and implement a forced labour/modern slavery identification and remediation processes in Marshalls UK business operations, and in supply chains in India, Vietnam & Europe.

**FOUR**
Develop and implement human rights monitoring, reviewing and reporting processes; report transparently on all efforts to respects human rights and prevent forced labour/modern slavery and utilise to inform business decision making, due diligence processes and improve conditions for workers.

Human Rights Due Diligence Framework

Human rights due diligence is the action taken by a company to both identify and act upon actual and potential risks for workers in its operations, supply chains and the services it uses.

Moving forward Marshalls will use the ETIs approach to human rights due diligence which is based on multi-stakeholder engagement and processes that include:

- Assessment of actual and potential human rights risks
- Mitigation of risk and remediation for workers impacted by human rights violations
- Identification of corporate leverage and responsibility, decision-making and actions needed
- Monitoring, review, reporting and continuous improvement

ETIs experience has demonstrated that this is the most effective form of due diligence and the most likely way to bring about lasting change.
Labour: Living Wage

Marshalls was awarded the Living Wage Employers Accreditation in 2014. This is only available in the UK. In India, Marshalls works with NGOs and others to calculate a living wage which is paid to those working in its supply chain.

What is it?

- An hourly rate set independently and updated annually.
- The Living Wage is calculated according to the basic cost of living in the UK.
- The current UK Living Wage is £9.00 an hour.
- The current London Living Wage is £10.55 an hour.
- Employers choose to pay the Living Wage on a voluntary basis.
- The Living Wage enjoys cross party support, with public backing from the Prime Minister and the Leader of the Opposition.

1/ ACCREDITATION

Offers accreditation to employers that pay the Living Wage, or those committed to an agreed timetable of implementation, by awarding the Living Wage Employer Mark.

2/ INTELLIGENCE

Provides advice and support to employers and service providers implementing the Living Wage including best practice guides, case studies from leading employers, model procurement frameworks and access to specialist legal and HR advice. We coordinate the announcement of the new Living Wage rates each November.

3/ INFLUENCE

Provides a forum for leading employers and service providers to publicly back the Living Wage. Work with Principal Partners who bring financial and strategic support to our work. The Foundation’s coordinates Living Wage Week each November, a UK wide celebration of the Living Wage.

Labour: Living Wage

What are the benefits?

Good for Business

An independent study examining the business benefits of implementing a Living Wage policy in London found that more than 80% of employers believe that the Living Wage had enhanced the quality of the work of their staff, while absenteeism had fallen by approximately 25%.

Two thirds of employers reported a significant impact on recruitment and retention within their organisation. 70% of employers felt that the Living Wage had increased consumer awareness of their organisation’s commitment to being an ethical employer.

Following the adoption of the Living Wage, PwC found turnover of contractors fell from 4% to 1%.

Good for Society

The Living Wage campaign was launched in 2001 by parents in East London, who were frustrated that working two minimum wage jobs left no time for family life.

The causes of poverty are complex and in order to improve lives, there should be a package of solutions across policy areas. The Living Wage can be part of the solution.

75% of employees reported increases in work quality as a result of receiving the Living Wage.

50% of employees felt that the Living Wage had made them more willing to implement changes in their working practices.

“50% of employees felt that the Living Wage had made them more willing to implement changes in their working practices.”

“75% of employees reported increases in work quality as a result of receiving the Living Wage.”

Good for Families

The Living Wage affords people the opportunity to provide for themselves and their families.
### Labour: Targets

#### Achievements 2018
- Maintain accreditation to IMS.
- Maintain accreditation to BRE ELS 6002.
- Maintain a programme of auditing against the ETI Base Code.
- Work to further improve the social auditor reporting process; and any associated correct action plan processes and procedures.
- Work with the procurement and human resources team to further develop systems and procedures which help to ensure that no modern slavery takes place within our operations.
- Maintain Living Wage accreditation.
- Work with ILO IPEC Child Labour Platform to contribute further to the eradication of child labour.
- Work to deliver the new 2020 ETI strategy thereby upholding the ETI Basecode throughout our operations.

#### Targets 2019
- Maintain accreditation to IMS.
- Maintain accreditation to BRE ELS 6002.
- Maintain a programme of auditing against the ETI Base Code.
- Work to further improve the social auditor reporting process; and any associated correct action plan processes and procedures.
- Work with the procurement and human resources team to further develop systems and procedures which help to ensure that no modern slavery takes place within our operations.
- Maintain Living Wage accreditation.
- Work with ILO IPEC Child Labour Platform to contribute further to the eradication of child labour.
- Work to deliver the new 2020 ETI strategy thereby upholding the ETI Basecode throughout our operations.
Environment

Due to Marshalls’ status the environmental key performance indicators will be published alongside the annual report in April. This will be available online in due course.

At the heart of Marshalls’ sustainable business model, shown earlier in this report, is an approach which combines key business issues and KPIs with third party verification, legislation and industry standards including ISO14001 for environmental management.

Key environmental targets and drivers for our business are determined by legislative requirement and also the Company’s commitment to sustainability, cost efficiency and shareholder value.

Marshalls’ environmental targets relate to strategic plans which are driven by board executives and implemented by a large internal resource. Systems, which represent a significant investment, are in place throughout the business and allow the real time monitoring of energy consumption and how this relates to carbon reduction measures.

Marshalls’ Environment & Climate Change Policy documents the related key performance indicators.

Environmental Policy – Key Features

Target – To operate within the relevant legal frameworks and comply with appropriate legislation.

- The Group has a commitment to achieving the highest standards of environmental performance, preventing pollution and minimising the impact of its operations.
- All operations should meet or exceed the requirements of legislation and applicable best practice.
- The Group is committed to considering the environmental impacts associated with its products throughout their life cycle.
- Policy is supported by monitoring and measuring environmental performance using appropriate external guidelines wherever practicable. Operating sites have assessed the environmental aspects of their activities, and objectives and targets aimed at improving the overall environmental impact of those activities have been set. These are reviewed on at least an annual basis.
- Marshalls will continue to raise environmental awareness within the Group through the development and training of its employees and will communicate openly and consult with customers, suppliers and other stakeholders on relevant environmental matters.
- Marshalls strives to protect and enhance biodiversity and natural habitats within its landholdings where possible. The Group also recognises the need for sympathetic restoration and after-use of quarry and other operational sites.
- Marshalls considers the character of the local environment and the concerns of the local community and other stakeholders in relation to its activities.
We are delighted to report that Marshalls has committed to the Science Based Targets Initiative (SBTi). As such throughout the coming year we will be working to establish and set our greenhouse gas emissions reduction targets. These will be consistent with the most ambitious aim of the Paris Agreement, to limit average global warming to 1.5°C by the end of the century compared to pre-industrial temperatures.

We have made commitments to achieve the highest standards of environmental performance, preventing pollution and minimising the impact of its operations. Our aim is to operate within the relevant legal frameworks and meet, or exceed, appropriate legislation and applicable best practice. During 2018 we have redefined our Sustainability Policies to align with our business strategy.

Marshalls has clear environmental, energy and climate change policies and a sustainable business plan with set KPIs. Marshalls is committed to reducing the energy and carbon impact of the business and is in line with the UK Government targets for 2020 and 2050.

2019 Priorities

• To target 95 per cent of Group production to be manufactured at sites operating an integrated management system in accordance with Publicly Available Specification 99:2006 ("PAS 99");
• To fully integrate the acquisitions of CPM and Edenhall into the Group’s environmental systems and procedures. Future goals,
• Continue to reduce the energy and carbon impact of the business and remain within UK Government targets;
• Progress commitment to our Science Based Target Initiative ("SBTi");
• Reduce the use of water from mains and licensed boreholes to 0.05m³ per tonne of production;
• Reduce by 3 per cent the total waste to landfill per tonne of production.

Science Based Targets initiative announces major updates following IPCC Special Report on 1.5°C

Science Based Targets initiative (SBTi) will introduce major new updates to enable companies to set greenhouse gas emissions reduction targets consistent with the most ambitious aim of the Paris Agreement, to limit average global warming to 1.5°C by the end of the century compared to pre-industrial temperatures.

New technical resources and an updated set of target validation criteria will be available to companies in April 2019, and will reflect the latest science from the Intergovernmental Panel on Climate Change’s (IPCC) Special Report on Global Warming of 1.5°C, published in October 2018.

The SBTi will also release new resources enabling companies to set targets aligned with a well-below 2°C pathway, which under the SBTi’s new criteria will become the minimum level of ambition accepted by the initiative.

The IPCC report warned of severe consequences of a failure to prevent global warming exceeding 1.5°C, and presented a number of new emissions scenarios that would keep temperatures within the thresholds laid out in the Paris Agreement.

Experts from the SBTi, in consultation with a Scientific Advisory Group consisting of leading climate scientists from around the world, are using the new scenarios to model emissions reduction pathways that can be applied by companies to align their strategies with the latest science.
We are facing a global water crisis. 2.6 billion people (or 42% of the world population) lack access to basic sanitation. More locally, in the UK, we lose annually from drought-induced hosepipe bans to devastating floods caused by increasingly heavy downpours. At any given time it seems that we either have too much water, or not enough. The causes of these problems are complex, but the solutions are frequently simple.

At Marshalls, we are fully aware of the water crisis, and we understand how our business can affect it in two distinct ways:

- Firstly, in the way our sites and operations (and those of our suppliers and partners all over the world) impact the water situation in their local area.
- Secondly, in the way that the products we develop, manufacture and sell can further affect the water situation in the landscapes in which they’re installed.

The CEO Water Mandate is a global initiative developed with the United Nations Global Compact. It is a voluntary code which aims to focus businesses on a wide range of groups and committees to debate the complex issues surrounding water, and to establish solutions which are beneficial to all parties. Marshalls is represented on a wide range of groups and committees including BiTC, the Flood Protection Association and Interpave, who all work either exclusively or in part to drive water issues onto the agenda of businesses and local government.

**Direct Operations & Supply Chain**

For example, in our production operations, we set ourselves a target to reduce the main’s water used in the production of our concrete products to less than 0.05m³ per tonne. This was achieved in 2012 through a combination of shrewd engineering and by ensuring that all of our concrete manufacturing sites harvest and recycle rainwater. In addition, any water left over following processing is filtered; the solids are passed back into the manufacturing process while the water is treated to ensure it stays in balance with the watercourse it is carefully released into.

But we have gone beyond our manufacturing processes to ensure that our colleagues are aware of the water challenge at all levels within the business. For example, via our procurement process, any capital expenditure of more than £1,000 requires an energy, waste and water assessment. Quite simply, if a purchase isn’t water efficient, it doesn’t go ahead. We work with our suppliers to ensure that they follow a similar approach, and encourage them to share their goals and challenges in this area.

**Collective Action & Public Policy**

But we know we can’t achieve what we need to on our own. We work with a wide variety of stakeholders to debate the complex issues surrounding water, and to establish solutions which are beneficial to all parties. Marshalls is represented on a wide range of groups and committees including BiTC, the Flood Protection Association and Interpave, who all work either exclusively or in part to drive water issues onto the agenda of businesses and local government.

We undertake our own research to encourage our customers to adopt more sustainable water practices, and we regularly lobby DEFRA and other government agencies to impress the importance of good water management.

We sit on the BiTC Water Taskforce, sharing best practice with other stakeholders including water companies, engineers, landscapers and government bodies. We sit on the CIRIA Council to better understand SuDS and wider water management issues. We contribute to CIRIA’s SuDSChain committee to promote best SuDS practise.

**Community Engagement**

We strive to make a positive impact on the communities in which our operational sites are based. We have improved sanitation and provided clean drinking water for everyone who works at our Natural Stone suppliers in India; we have created forest classrooms with living water features for a school near our Eaglescliffe plant in the North East of England. When Hebden Bridge flooded, just 15 miles down the road from our head office in West Yorkshire, we took the UK’s leading flood consultant Mary Dhonau to the town to help the residents understand how to cope in the aftermath.

We actively support Slow the Flow Calderdale, a local group of engineers, landscapers and enthusiasts who are committed to reducing flood risk in the Calder Valley. In addition to supporting their events and helping them to win awards, the Marshalls marketing team spent a couple of days working on their Natural Flood Management systems on a local National Trust site.

We support the Calderdale Watermark Fund, a charity set up to support flood victims in the area.

**Transparency**

Most importantly, we’re honest and open about the ways we can affect the global water situation. We know that the products we manufacture aren’t the only way to sustainably drain our landscapes, and that on their own they’re not going to stop flooding. We know that the work we do to educate our overseas suppliers isn’t going to eradicate poor health completely. But we fully accept everything we do is part of the solution, and we will continue to share our strategies, successes and challenges in the hope that, together, we can be fully prepared for the water crises of the future.

**Summary**

Of course, most of these steps make sound business sense; many of these measures reduce costs and help us to maintain the sound business model we’ve developed over more than 100 years. However, as the global water crisis continues, we’re increasingly conscious of the importance of this vital resource, and aware that its scarcity could have a very dramatic and very real impact on our ability to take our business confidently through the next 100 years. After all, as David Brower famously pointed out, there’s no business to be done on a dead planet. We still have plenty of work to do, but we believe that by taking the right steps, the better landscapes we create now can make a better world for us all to live in for generations to come.
**Carbon**

Target – to reduce our absolute CO₂e consumption in line with UK Government targets (34 per cent by 2020 and 80 per cent by 2050 from a 1990 baseline).

Marshalls’ Energy and Climate Change Policy approved by the Board during the year confirms the Group’s commitment to reducing the Energy and Carbon impact of its business activities. The current reduction is in line with the 2020 and 2050 targets.

The Group complied with its legal obligation in the Government’s Carbon Reduction Commitment Energy Efficiency Scheme (CRC) by submitting its Annual Report and surrender of Carbon allowances for the period April 2014 to March 2015 within the time limit imposed by the legislation. The Group is certified to the Carbon Trust Standard and is re-certified up to December 2016 demonstrating ongoing commitment to carbon reductions.

![Carbon Trust Logo](carbon-trust-logo.png)

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**Water**

Target – reduce use of water from mains and licensed boreholes to 0.05m³ per tonne of production.

Marshalls understands the future value of water and is a signatory to the United Nations Global Compact CEO Water Mandate. The business has demonstrated a commitment to water harvesting and recycling on numerous sites and utilises quarry water where appropriate in its operations.

The Group particularly recognises the impacts and risk to the business in areas of “water stress”. Working to the Government’s 2013 classification, developed by the Environment Agency and Natural Resource Wales, two sites within the Group (Sandy Water and Sittingbourne – Southern water) are located in areas of “serious stress”.

As is practiced across the Group, recycling of water is employed on both of these sites and harvesting is undertaken at Sittingbourne further reducing the burden on licensed water extraction in these areas. The Group does not abstract water in “serious stress” areas.

Marshalls has consents in place, issued by the relevant regulatory bodies, to discharge trade effluent. Previous investment in water harvesting and recycling of its process water helps to reduce the overall discharge volumes of trade effluent by enabling re-use in its products.

The chart below illustrates the Group’s water performance between 2008 and 2016.

![Water Chart](water-chart.png)

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**Absolute CO₂e Emission from UK Operation**

![CO₂e Emissions Chart](co2e-emissions-chart.png)

**Main and Licensed Water Used Per Ton of Production Output**

![Water Usage Chart](water-usage-chart.png)
Transport

Target – to meet the challenge of reducing emissions whilst striving to maintain and improve upon customer service.

Marshalls operates its own fleet of Large Goods Vehicles ("LGV") to service the majority of its deliveries to customers. As a consequence diesel fuel usage has a significant business impact on the Group’s GHG emissions reporting.

The Group is a voluntary member of the Freight Transport Association led Logistic Carbon Reduction Scheme ("LCRS") which has a collective commitment to reduce the carbon dioxide emissions. This initiative also demonstrates our commitment to recording, reporting and reducing carbon emissions while sharing best practice with like minded companies.

During the last three years the Group has invested in a new and increased fleet of 173 mechanical offload LGVs. This investment was partially justified by the fuel efficiency that might be achieved with the latest fuel efficient vehicles, these being a mix of Euro V and Euro VI compliant engines; initial results indicate an improvement in fuel usage of nearly 13 per cent on like for like vehicles.

Marshalls undertakes one-on-one driver training for its LGV fleet drivers, which has the added advantage of gaining a broader understanding of the problems being faced by the drivers, allowing management to address the issues. It is planned to double the resource on this agenda in 2016.

The Group uses rail for stock movement to reduce carbon emissions and will continue to look at different modes of transport whenever practicable.

The Group includes energy efficient cars on its car choice including hybrid and electric which together with personal taxation impacts has resulted in an average emission of 116 carbon dioxide grams per kilometre from its car fleet, a reduction from 120 in the last 12 months. An in-house automated report is available to all company car drivers to review their achieved efficiency (miles per gallon).

Environment: Targets

ACHIEVEMENTS 2018

- Reduce our absolute CO2 consumption in line with UK Government targets (34 per cent by 2020 and 80 per cent by 2050 from a 1990 baseline).
- Reduce use of water from mains and licensed boreholes to 0.05m³ per tonne of production by 2015.
- Implement biodiversity plans at selected sites.
- Reduce by 3% the total waste-to-landfill per production output per annum on 3 year rolling average.
- Reduce by 2% per tonne of production output per annum over a 3 year cycle to a level where pack and product safety is not compromised.
- Meet the challenge of reducing emissions whilst striving to maintain and improve upon customer service.

TARGETS 2019

- Develop Science Based Targets.
- Reduce our absolute CO2 consumption in line with UK Government targets (34 per cent by 2020 and 80 per cent by 2050 from a 1990 baseline).
- Reduce use of water from mains and licensed boreholes to 0.05m³ per tonne of production by 2015.
- Implement Biodiversity plans at selected sites.
- Reduce by 3% the total waste-to-landfill per production output per annum on 3 year rolling average.
- Reduce by 2% per tonne of production output per annum over a 3 year cycle to a level where pack and product safety is not compromised.
- Meet the challenge of reducing emissions whilst striving to maintain and improve upon customer service.
Anti-Corruption

The UK Bribery Act 2010 came into force on 1st July 2011. It amends and reforms UK criminal law and provides a modern legal framework to combat bribery in the UK and internationally.

The Bribery Act creates the following offences:

1# ACTIVE BRIBERY:
   promising or giving a financial or other advantage.

2# ACTIVE BRIBERY:
   Passive bribery: agreeing to receive or accepting a financial or other advantage.

3# ACTIVE BRIBERY:
   Bribery of foreign public officials.

4# ACTIVE BRIBERY:
   The failure of commercial organisations to prevent bribery by an associated person (corporate offence).

There has been ongoing focus by the UN Global Compact on Anti-Corruption with a number of events and speakers attending education events open to UK Network members. Marshalls takes advantage of these opportunities with a range of individuals from within the organisation attending and reporting back.

The UN Global Compact tenth principle commits signatories not only to actively avoid bribery, extortion and other forms of corruption but to develop policies and concrete programmes to address corruption and related risks.

Marshalls understands that bribery is not a victimless crime and that it discourages developmentally effective trade and siphons off funds away from projects designed to help the most disadvantaged. It tarnishes reputations, drains corporate motivation and distorts competition.

Marshalls’ procurement policy can be viewed at: www.marshalls.co.uk/sustainability

Read the full policy here: https://www.marshalls.co.uk/documents/policies/antibriberycode.pdf

Anti-Corruption: Targets

ACHIEVEMENTS 2018

| Communicate Marshalls sustainability strategy which has anti-corruption measures woven throughout. |
| Publish and communicate our Supplier Code of Conduct giving clear anti-corruption and anti-bribery information using the new IT-based platform. |
| Ensure that this guidance is made publicly available for all stakeholders. |
| Continue to undertake a series of face-to-face briefing and workshops with key suppliers. |
| Continue to communicate Marshalls Anti-Bribery policy internally. |
| Continue to communicate Marshalls Anti-Bribery policy externally. |
| Continue to review and develop anti-bribery processes and procedures. |

TARGETS 2019

| Communicate Marshalls sustainability strategy which has anti-corruption measures woven throughout. |
| Publish and communicate our Supplier Code of Conduct giving clear anti-corruption and anti-bribery information using the new IT-based platform. |
| Ensure that this guidance is made publicly available for all stakeholders. |
| Continue to undertake a series of face-to-face briefing and workshops with key suppliers. |
| Continue to communicate Marshalls Anti-Bribery policy internally. |
| Continue to communicate Marshalls Anti-Bribery policy externally. |
| Continue to review and develop anti-bribery processes and procedures. |
Proud to be Fair Tax Accredited and Pay Our Fair Share of Tax

The Fair Tax Mark is the label for good taxpayers. Wherever you see the Fair Tax Mark you can be sure that a company is open and transparent about its tax affairs and seeks to pay the right amount of corporation tax at the right time in the right place. It sets a new standards in responsible tax practice.

Marshalls’ CEO, Martyn Coffey, said, “In recent years, we’ve seen multinational corporations that have chosen to use tax havens and artificial structures to avoid paying millions in tax. The results of this are inflated profits, the destruction of a level playing field which erodes fair competition as well as a depleted public purse. But not all businesses seek to avoid paying the tax that they owe, and as a responsible business Marshalls is proud to make it known that it pays its fair share of tax.”

According to an estimation of the UK’s tax gap, around £12 billion is lost to the public purse each year via corporate tax avoidance. This is more than the entire Home Office budget and half of the UK’s housing and environment budget.

Chris Harrop, Marshalls Group Marketing Director, responsible for sustainability, added, “Recent research has shown that 1 in 4 consumers want to boycott tax dodgers. It’s time to make clear which businesses people can trust and to help them spend their money where it counts.”

Fair Tax Mark commented, “We welcome Marshalls engagement and eagerness to speak out about this issue. A fair and transparent tax system is at the heart of any society. A fair tax system is essential to a vibrant mixed economy that works for the benefit of all who live in a country. It is also crucial to a healthy, functioning democracy. ‘Fair’ is a subjective term that is open to a wide range of interpretations. In our opinion when it comes to corporation tax ‘fair tax’ means that a business seeks to pay the right amount of tax, but no more, in the right place at the right time and can be held to account on its tax behaviour by the public based on the information it publishes.”

Coffey, concluded by saying, “Marshalls has been a United Nations Global Compact signatory since 2009 and as such has made public commitments regarding human rights, labour environment and anti-corruption. The organisation is clear that adhering to the Fair Tax Mark criteria is all part-and-parcel of being a sustainable and responsible business.”
Employee engagement and development

Our ambition is to recruit and retain the very best people with a wide range of talents, skills and experiences. We have a commitment to investing in employee development, progression and career success. We aim to operate without discrimination and to embrace diversity so that every employee should feel respected for their contribution.

With the advent of a refreshed People Strategy emphasis is on planning for more change in the area of employee engagement. We continue with our long-standing commitment of hosting annual roadshows at every site with the objective of meeting as many of our employees as possible face to face. This provides the Directors and senior management team with an unparalleled opportunity to explain to our employees how the business is performing, how our strategy is working, and what the priorities and objectives are.

We maintained our regular feedback channels and, in 2018, enlisted the support and assistance of an external strategic partner to help us form a detailed engagement plan for 2019. This will focus on employee communications, engaging leaders and staff wellbeing. We continue to be a Living Wage employer underpinning continued commitment to fairness and integrity towards our employees. We have maintained our focus on supporting charitable events across the business and our work with MIND will have raised an overall total of £200,000 over the last 2 years.

The Company’s Sharesave employee share scheme (in which over 40 per cent of colleagues invested) delivered significant benefit to employees exercising their options on maturity in December 2018. The Company also operates a Share Purchase Plan to encourage employee participation in the Company’s success.

We are focused on building a stronger work environment. Succession management is helping us identify individuals who can be developed to take on bigger or more challenging roles as well as identifying where we need to build new capabilities to meet our strategic goals.

As a business, we are committed to investing in our employees. The corporate intranet contains the Marshalls Learning Zone, which is accessible to all colleagues, and provides an easy route for learning to be accessed on general skills and capabilities. We continually refresh and add to the learning curriculum. We also continue to run 3 leadership development programmes aimed at the development of our emerging and more established leaders. We work with 3 strategic partners, University of Salford, Ashridge Business School and Cranfield School of Management, to ensure we access best practice and external perspectives.

Apprenticeships give employees on-the-job skills and training and help us secure a talent pipeline. We have developed our Apprenticeship Programmes in the last 12 months. During the year, we have also increased the number of employees who are now working towards an apprenticeship qualification to 70. We remain committed to growing these schemes as well as building other methods of increasing our talent pipelines and improving the diversity of our operation.

We continue to maintain strong community connections, particularly in locations near our offices and factories, and we continue to develop closer relations with local schools and colleges in order to encourage young people into the industry as well as the business.

Health & Safety

Marshalls is committed to meeting the highest safety standards for all its employees, reinforcing and developing its safety processes, and developing a competent workforce with a view to achieving long-term improvement gains. This remains a key priority for the business. In 2017, the Executive Board agreed a formal 5-year health and safety strategy with set objectives.

The achievement of annual health and safety improvement targets is directly linked to the remuneration of the Executive Directors and senior management, as explained in the Remuneration Report on pages 53 to 72.

The headline target for 2018 was to maintain days lost resulting from workplace incidents at a figure no higher than the 2015 actual result.

The actual results achieved were:

- 61 per cent reduction in days lost resulting from all accidents frequency rate;
- 46 per cent reduction in all incidents frequency rate;
- 56 per cent reduction in lost time incidents (“LTIs”) frequency rate;
- 5 per cent reduction in incidents reportable to the HSE under the Reporting of Injuries, Diseases and Dangerous Occurrence Regulations (“RIDDOR”).

The primary target for 2019 will be to achieve an accident rate for the year no higher than the 2015 actual result.

Accident frequency and severity rates (per 1 million hours worked)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>All accidents</td>
<td>66.6</td>
<td>59.1</td>
<td>48.8</td>
<td>49.2</td>
<td>43.4</td>
<td>26.4</td>
</tr>
<tr>
<td>All lost time</td>
<td>12.2</td>
<td>7.2</td>
<td>5.1</td>
<td>5.6</td>
<td>4.1</td>
<td>2.2</td>
</tr>
<tr>
<td>All RIDDORs</td>
<td>5.6</td>
<td>4.7</td>
<td>3.8</td>
<td>3.3</td>
<td>2.4</td>
<td>1.4</td>
</tr>
<tr>
<td>All days lost</td>
<td>114.6</td>
<td>80.7</td>
<td>48.6</td>
<td>39.6</td>
<td>24.6</td>
<td>14.6</td>
</tr>
<tr>
<td>Average UK headcount</td>
<td>2,093</td>
<td>2,132</td>
<td>2,237</td>
<td>2,253</td>
<td>1,107</td>
<td>2,249</td>
</tr>
</tbody>
</table>

In 2018 the business successfully gained ISO 45001 accreditation across the UK businesses, being the first in the building products industry to achieve this standard. Other achievements are listed below:

- Integration of the recently acquired CPM business into the Marshalls health and safety management system;
- 100 per cent of all first line supervisors attended and passed the Marshalls health, safety and environmental stage 2 training course;
- Introduced a Mental Health Awareness strategy; this included the training of key individuals in the business to become Mental Health First Aiders to support our employees;
- Introduced and fully implemented across the business the SHE development tool.

In 2019 the main health and safety initiatives will include:

- a programme whereby all senior managers within the business will complete the Marshalls health, safety and environmental stage 3 training programme;
- 65 per cent of all non-supervisory employees will attend and successfully pass the Marshalls health, safety and environmental stage 2 training programme;
- the integration of PD Edenhall into the Marshalls health and safety management system and culture;
- the development and implementation of a new digital integrated management system.

These initiatives will enhance the already high standard the Company demands in health and safety and take it to a completely new level.
Marshalls was pleased to announce in March that having been the first organisation to achieve verification against BRE Global’s newly launched Ethical Labour Sourcing Standard (BES 6002) in 2017, it achieved verification for the second year running.

Chris Harrop, Marshalls Marketing Director, responsible for sustainability, says “It is becoming commercially critical to have independent third party verification regarding ethical labour in business operations and supply chains. Marshalls is ahead-of-the-wave in achieving verification for the second year running and it is extremely satisfying, especially as the Ethical Labour Sourcing Standard process allows us to chart our progress from one year to the next; we can clearly see what we’ve achieved, set our course in terms of future actions and bind this into our wider human rights programme.”

He added, “This independent, third-party verification distinguishes our products and services from those of our ‘competitors’, some of whom still continue to make spurious and unsubstantiated claims about the ethics of their global supply chains. Our valued customers, suppliers, shareholders, employees and partners can continue to be rightly confident about our ongoing commitment to ethical labour sourcing standards and our day-to-day actions on the ground dealing with the complexities.”

Dr Shamir Ghumra, BRE’s Director of Sustainable Products, presented the ELS verification certificate to Chris Harrop, and commented, “It is gratifying to see Marshalls achieving verification for the second year and to know that the ELS is adding great value to the organisation’s overall programme regarding ethical sourcing. The requirements of the Modern Slavery Act puts the onus on businesses to demonstrate exactly how they are taking positive action to eliminate modern slavery within their operations and global supply chains; none more so than within the construction sector. ELS verification provides organisations with a framework to verify their systems and processes in relation to the Modern Slavery Act and continuously improve their ethical labour sourcing practices. Marshalls continues to lead the field in terms of ethical labour standards.”

The ELS standard was developed throughout 2016 with a wide stakeholder group including clients, manufacturers, NGOs and contractors. The 150 strong stakeholder group helped to shape and scope the ELS standard to ensure that it would be relevant and drive positive change within industry. The verification approach will allow organisations to develop their ethical labour sourcing practices in a manner which is risk based and relevant to them. The ELS will support those who wish to demonstrate continual improvement.

Marshalls Business & Human Rights Lead, Elaine Mitchel-Hill, added, “This independent verification regarding ethical labour standards is an extremely important aspect in terms of delivering against our Modern Slavery Statement commitments.”

BRE Global Ethical Labour Sourcing Standard Verification for the Second Year Running

Marketing and Digital Team End 2018 on a High

As the year ends, the Marketing Team have picked up some industry awards and accolades against some very stiff competition.

Chris Harrop, Group Marketing and Sustainability Director, won the award for B2B Marketer of the year at the International B2B Marketing awards. The B2B Marketing Awards is widely regarded as the most competitive and prestigious in the B2B marketing industry. This year saw 500 submissions from 13 countries across Europe. Remarking on Chris’ entry, the judges said that he has, “turned the brand into a leader in its sector, with a strong focus on ethics, raising awareness of climate change and championing innovation.”

Commenting on his win, Chris said, “This award is really about the hard work and effort that the whole of the marketing team put in to ensure Marshalls are always front of mind. Without each and every one of them this simply wouldn’t have been possible.”

To add to this success, Marco Maccio, Head of Digital Marketing, was also shortlisted in the top 10 for The Drum’s MarTech Heroes Award. The Drum, a world-leading publisher and media platform covering Marketing and Advertising, created the award this year to recognise the very best talent in the Marketing Technology (MarTech) space, demonstrating how they are creating value for their businesses. Entries came from across the world including Europe and the US.

Marco had this to say about the shortlisting, “To reach the top 10 is fantastic and a testament to the work that the Digital Team has been doing over the last two years. I am proud of the things we have delivered and to have this recognised by a panel of marketing industry leaders is brilliant! Thanks go to everyone who has worked on the recent digital projects.”

Third Party Recognition & Awards

Third Party Recognition & Awards
Auditing

In the past, Marshalls has worked with generally recognised auditors for its work in India. Whilst working in India however, Marshalls found it really needed to work with auditors with specialist knowledge of trade unions and ILO (International Labour Organisation) standards. The auditing process for Marshalls is not just about hitting the baseline and doing the minimum, it’s about going the extra mile and ensuring the process is as thorough and rigorous as possible. Marshalls’ supply chain strategy follows the ETI Base Code, which is based on the International Labour Organisation’s Conventions. In embedding the Base Code in the supply chain Marshalls has implemented processes to ensure compliance and improvement. Marshalls employs full time social auditors in both India and China. Working on the ground alongside quarry not factory owners, managers, workers, unions and non-governmental organisations, the auditor ensures all areas of the ETI Base Code are upheld. Marshalls works with Stirling Smith, an expert in supply chain auditing, to develop and extend the SAA8000 standard and the ETI Base Code. The company relies upon the hard core of convinced companies to engage stakeholders and professionals together in an agreed programme. Audits are carried out at least annually, by a two-person team over two days. A qualified Marshalls assessor goes to India and China five to six times a year to audit informally. If non-compliance is found, an action plan is agreed to ensure rectification takes place and this is followed up by an external audit.

Ongoing Stakeholder Consultation

Marshalls would like to thank all of its stakeholders who had input into this tenth UNGC Communication on Progress, namely Marshalls’ employees, customers, suppliers, partners, peers and NGOs.

2018 COP Feedback Survey

As a valued stakeholder Marshalls would very much appreciate your feedback and comments on its 2016 Communication on Progress (COP). You may be aware that Marshalls became a signatory of the UNGC in January 2009. Our commitment to the UNGC requires that we submit an annual COP to the UN office in New York. This and all other COPs can be found at www.marshalls.co.uk/sustainability/publications.

Our 2009 COP received a ‘notable’ status from the UNGC, an acknowledgement made to only a small percentage of signatories. We will make this 2018 COP’s available for UNGC UK Network peer review again this year. We are particularly keen to gain frank feedback from a range of our stakeholders as we further engage in a drive for corporate sustainability leadership throughout 2019 and beyond.

If you wish to take part in our COP feedback survey please email: elaine.mitchel-hill@marshalls.co.uk

Accreditation

Marshalls only works with reputable and reliable suppliers in terms of accreditation.