



United Nations Global Compact  
Communication on Progress 2016



**Marshall's**

*Creating Better Spaces*

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 UN Global Compact aims to mobilize a global movement of sustainable companies and stakeholders to create the world we want. To realise this vision, the UN Global Compact supports companies to:

- 1 Do business responsibly by aligning their strategies and operations with Ten Principles on human rights, labour, environment and anti-corruption; and
- 2 Take strategic actions to advance broader societal goals, such as the UN Sustainable Development Goals, with an emphasis on collaboration and innovation.

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 eighth Communication on Progress and outlines how Marshalls is aligned with the ten principles and how, throughout 2017, the plc intends to develop its activities in support of the framework laid out by the UNGC.

## 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; and

### 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.

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## Statement of Support for the UNGC

### Martyn Coffey, Marshalls CEO

I like to take time out at this time of year to reflect upon the reasons that Marshalls became a UNGC signatory back in 2009, to think about what this means for us right here and now, as well as run a keen eye over the horizon in an effort to identify the challenges and opportunities to come. The ten fundamental principles, to which we remain committed, within the pillars of human rights, labour, environment and anti-corruption are no small undertaking and it requires constant thought, challenge, engagement, change and action in all kinds of areas; from governance, gender equality, poverty, climate change, rule of law, social sustainability, inequality, peace and supply chain sustainability, to name but a few.

I and my Board know that sustainability counts and that it can be levered for competitive advantage by those organisation which are innovative, fully engaged, trustworthy and there for the long haul. Guided by our brand values of leadership, excellence, trust and sustainability I remain confident that Marshalls' team is empowered to make the right sustainable choices for our business day-in and day-out.

Marshalls has continued to make a rich contribution throughout 2016; engaging with governments both in the UK and overseas, collaborating with United Nations partners, working with regional & local networks and partners globally, developing innovative products which respond to environmental challenges, working to prevent modern slavery through education, and elevating transparency in our global supply chain.

We know too that by working effectively with our global supply chains we have the opportunity to make a significant impact in promoting human rights, fair labour practices, environmental progress and anti-corruption policies. While we've been doing this long enough to know that it can be challenging and complex, we remain passionate, dedicated and undeterred. It helps that we see our supply chain as an extension of our workforce and community.

We have much to be proud of in terms of our work and efforts to uphold the UNGC principles throughout 2016 and yet much more to do as we press on further still. Marshalls won the 2016 PLC Award for Corporate Social Responsibility which acknowledges leadership, innovation and commitment in taking responsibility for the impact a company has on environmental and social wellbeing. I hope that you'd agree that this is a good independent indicator of the progress that we've made.

Regular readers will know that this UNGC Communication on Progress sits alongside our Annual Report as the main vehicle for sharing our sustainability progress. I hope that as you read you'll see the wide ranging actions which clearly demonstrate that each day we're walking the talk and that sustainability remains firmly at the heart of all that we do.



Martyn Coffey, Marshalls CEO  
Driving Business Growth  
Through Sustainability

A handwritten signature in white ink, reading 'M. Coffey'.

## Statement by UNGC UK Chair

### Chris Harrop

This is my last statement as Global Compact Network UK Chair. My term ends in December 2016 and it has been a great privilege to hold this post for four years. I have had opportunities, education and insights that I would never have had were it not for the UNGC UK Network Chair role. Highlights for me have been the Annual Local Meeting in Ethiopia and the Leadership Summit in New York where we won a social media award. The UK Network is in great shape and I'm delighted to hand over to Dr. Nicky Black, Head of Social Performance at De Beers. I want to wish both Nicky and the UK Network continued success and I'm sure that in the hands of Nicky, the Advisory Group and the Secretariat, headed by Steve Kenzie, things will continue to go from strength-to-strength.

I will remain a Director of the UK Network and involved in UK Network activities. I maintain my belief that the Global Compact Local Networks activity is extremely important in advancing corporate sustainability at the grassroots level by helping companies understand what being a sustainable business means in practice, how this is good for business and good for society and what can be done within a national context to contribute towards the sustainable development goals.

### The Power of Principles in Uncertain Times

2016 has been a year of change, uncertainty and discord in all spheres. There's much discussion about truth, post truth and out-and-out lies; not only in politics but in all walks of life, including business. Like Lise Kingo, Executive Director, UN Global Compact, I whole heartedly agree that the power of principles in uncertain times serves to give businesses the bearings by which we can navigate, whatever the weather.

UNGC signatories have all publicly committed to the same unchanging values and principles; the ten principles set within the pillars of human rights, labour, environment and anti-corruption. Importantly, UNGC signatories also know that whilst sustainability is a journey, good practices in one area do not offset harm in another. UNGC is a movement of businesses as a force for good and one which I'm proud to be a part of. It transcends borders, fences, walls, geography, the rhetoric of fear, fake news and all of the hyperbole. Now is the time for UNGC signatories to stand firm, live up to the public commitments that they have made and invite other businesses to join them.




Chris Harrop, Marshalls' Group Marketing Director, (Responsible for Sustainability), UNGC UK Network Chair, ETI Non-Executive Director

"Harmony between people within and among communities supports an open global business environment and companies that value the diversity of their customers, employees, business partners and community stakeholders outperform their peers. This movement of business as a force for good transcends borders, fences and walls. Now more than ever, this is a time to stay firm on our universal values and principles."

**Lise Kingo, Executive Director,  
UN Global Compact**

# Foreword

A very warm welcome to all readers of this Marshalls' eighth UNGC Communication on Progress Report. I always like to share with you here, at the beginning of our report, some of the highlights of the often challenging work that we've undertaken in 2016. Our focus has been very much shaped by the business and human rights agenda, the publishing of our first Modern Slavery Disclosure Statement and its implementation throughout UK business operations and our global supply chains, and also our work to contribute to the sustainable development goals.

The appointment of Marshalls' first Business & Human Rights Lead ensured that our first Modern Slavery Disclosure Statement, published in May, was identified as a 'best performer'\* and that its implementation across UK business operations and our global supply chain has moved ahead at pace. Much of our work is focused upon prevention and we have established a new and innovative partnership with anti-slavery organisation Hope for Justice initially focusing upon the UK, Vietnam and China. As well as gearing up to communicate on a new IT-based platform with all of our suppliers regarding modern slavery, anti-bribery & corruption and supplier code of conduct, we have also put in place a key supplier education programme with our temporary labour provider here in the UK. The appointment of Marshalls first two Modern Slavery Ambassadors in UK business operations has been a particular highlight and I look forward to you reading later in this report about the education work and their impact.

I'm also highly delighted to be able to tell you that Marshalls has retained its Superbrand status which has been awarded following a rigorous independent selection process.

As many of you will know, Marshalls became a UNGC signatory in 2009 and a Global Compact Local Network member later the same year. My tenure as chair comes to an end in December but under the guidance of Dr Nicki Black, Head of Social Performance at De Beers the Global Compact Local Network UK continues to be a platform for high level networking, discussion, dialogue and peer support, specialised work streams, and open lines of communication directly with UNGC HQ in New York. The Global Compact Local Network remains a key resource for Marshalls as we ensure that we're well informed and engineer our business for the future and ensure that we're well positioned to face the challenges as well as take advantage of the emerging opportunities.

Our CEO, Martyn Coffey, continues to champion Marshalls' strategic approach to sustainability and made clear in his Statement of Support that, he and our Board '... know that sustainability counts and that it can be levered for competitive advantage by those organisation who are innovative, fully engaged, trustworthy and there for the long haul'. It's very simply the way that we do business and the UNGC framework is a fundamental part of Marshalls' long-term business strategy.

Marshalls' employees are all aware of the businesses commitment to sustainability and what this means to them in terms of what they do here at work and also beyond into the local and global community. New and existing employees are also introduced to our sustainable approach through a specially developed induction process. All employees also have the opportunity to engage with Marshalls Certificate in Sustainability which is heartily endorses by the Global Compact Local Network UK.



\* Marshalls was highlighted as 'best performer' by Innovation Forum for its first Statement - <http://innovation-forum.co.uk/analysis.php?s=are-modern-slavery-statements-lagging-performance>



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.

Marshalls remains focused on being a successful and profitable business whilst minimising our impact on the environment, looking after the 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 – MWay – 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** 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.

**EXCELLENCE** means that we must always strive to be the best we can be. We must be 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.

**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.

### THE VALUES OUR BUSINESS IS BUILT ON



LEADERSHIP • EXCELLENCE • TRUST • SUSTAINABILITY

Inspired by the Marshalls' Way

Marshalls  
Creating Better Spaces

### Employees throughout the business continue to be actively involved:



Andy Ackroyd,  
Commercial  
Controller



Richard Capper,  
Energy  
Management  
Engineer



Susie Fehr,  
HR Director



Helen Taverner,  
Group Systems Auditor



Claire Quinton-Tulloch,  
Head of PR



David Morrell,  
Group Head of  
Sustainability



Matthew Gibb,  
Group Environment  
& Water Manager



Nick Carr,  
Group Health &  
Safety Advisor



Elaine Mitchell-Hill,  
Business & Human  
Rights Lead.



Samantha Munkley,  
Employee Engagement  
Manager.



Chris Frankland,  
International Product  
Manager



Andrew Stalker,  
Head of  
Commercial  
Marketing



Richard Beal,  
Procurement Director



Claire Blake,  
Head of Domestic  
Product  
Management.



Pete Stevens,  
Group Carbon &  
Energy Manager



Steve Swarwick,  
Group Systems  
Manager



Sophie Rowe,  
PR Executive



Nicole Gledhill,  
Product Manager  
Commercial Paving.



Chris Griffith,  
SuDs and CBP  
Manager.



Alice Couldwell,  
Linear Drainage  
Product Manager.

These employees work alongside those with special responsibilities including; Group Procurement Director, Richard Beal, Group Human Resources Director, Suzie Fehr and Business & Human Rights Lead, Elaine Mitchell-Hill, Group Head of Sustainability, David Morrell and 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 verification from third party organisations which include non-governmental organisations and independent auditors; The Carbon Trust, BSI, Wild Life Trust, ETI & BITC. 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.

I'm excited to report that Marshalls is the first organisation globally to have undergone the assessment process for the BRE Global Ethical Labour Sourcing Standard Verification 6002. We will know the outcome of this during the first quarter of 2017.

Our Human Rights Programme has developed steadily since 2010 and now includes human rights impact assessments, Children's Rights & Business Principles implementation, working towards becoming signatories of the Women's

Empowerment Principles as well as quarterly human rights briefings. In addition we continue to work closely with Indira Saxena regarding social issues in India and Sterling Smith of Just Solutions Ltd.

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

In this our eighth Communication on Progress, we share with you the efforts that we have made to uphold the UNGC principles during 2016 and our enduring commitment to these principles as we move forward throughout 2016.

# Focus for 2017

## Business and Human Rights – Modern Slavery Disclosure Statement Implementation: UK & Overseas

In May 2016 Marshalls published its first Modern Slavery Disclosure Statement as required following the introduction of the UK Government Modern Slavery Act 2015. This Act requires all businesses with a turnover in excess of £36m to provide an annual Statement of Disclosure detailing the steps an organisation has taken during the financial year to ensure that slavery and human trafficking is not taking place in any of its supply chains or in any part of its own business.

We have made good progress, together with our anti-slavery partner Hope for Justice, in terms of preventative education work with employees, suppliers, and those in and around our overseas supply chains especially in Vietnam and India, we remain extremely focused moving forward. During 2017 we aim to continue our work in the UK, in Vietnam and in India and will also look to extend this to China and Brazil. We look forward to publishing our second disclosure statement in 2017 and to detailing our key performance indicators in this area.

### Modern Slavery KPI's for 2016/17



Deliver an internal awareness campaign throughout UK operations to all employees regarding modern slavery.



Modern Slavery training for all employees involved directly in supply chains and procurement.



Supplier communication and verification programme which confirms that suppliers have received and understood Marshalls' position regarding modern slavery and are aware of Marshalls Modern Slavery Policy & Disclosure Statement.



Report on its effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains including the due diligence processes outlined in Marshalls Modern Slavery Policy & Disclosure Statement.



Further develop the organisations supply chain due diligence, related human rights programme and external auditing process in order that instances of modern slavery can be identified, remedial action undertaken, the victims supported and that all of this is transparently reported.



Develop, in conjunction with appropriate partners, a process of remediation and support for victims of modern slavery identified within the organisations operations and supply chains.



### Modern Slavery Act 2015



## West Yorkshire Anti-Trafficking & Modern Slavery Network Engagement



“West Yorkshire is taking the issue to its heart and putting it as a priority. This is something that other regions must follow.”

Kevin Hyland, UK's Independent Anti-Slavery Commissioner

As an engaged business and a member of the local community we are looking forward during 2017 to being part of the West Yorkshire Anti-Trafficking & Modern Slavery Network. Marshalls is the first business invited to become part of this Network due to our commitment to the prevention of modern slavery. The West Yorkshire Anti-Trafficking & Modern Slavery Network was created by anti-human trafficking charity Hope for Justice in conjunction with West Yorkshire's Police and Crime Commissioner Mark Burns-Williamson after he was awarded £200,000 from the Ministry of Justice in 2014 to create and lead the network. The network currently provides a strategic meeting framework on behalf of the statutory, non-statutory and third sector organisations in West Yorkshire who contribute to tackling human trafficking and modern slavery in all its forms but is exploring how businesses can engage in support of the Independent Anti-Slavery Commissioners strategic plan.



# Supplier Code of Conduct – M-Way Role Out

“Our purpose as a company is to Create Better Spaces for all our customers. The way we do this is to understand and focus on our core shared values of Leadership, Excellence, Trust and Sustainability, and use these to guide how we behave as individuals.”

**Martyn Coffey, CEO, Marshalls plc**

In an increasingly globalised and interconnected world Marshalls understands that modern supply chains can have a significant impact on not only our own operations but also on society and the environment. During 2016 the procurement department and our business and human rights specialist have worked closely, together with a leading provider of online compliance training and risk management software, to develop a programme of online compliance training for suppliers on Marshalls Supplier Code of Conduct, Modern Slavery and Anti-Bribery & Corruption. This will be rolled out during the first quarter of 2017.

**/// MWAY**  
**The Marshalls Way**



“M-Way reflects Marshalls absolute commitment to ethical and sustainable procurement practice. We will only do business with responsible suppliers and subcontractors who understand the nature of the products, materials and services they supply and who recognise their responsibility to protect the environment whilst fostering good relations with their employees and local communities.”

**Richard Beale, Marshalls Group Supply Chain Director.**

# Children's Rights & Business Principles Audit & International Programme on the Elimination of Child Labour

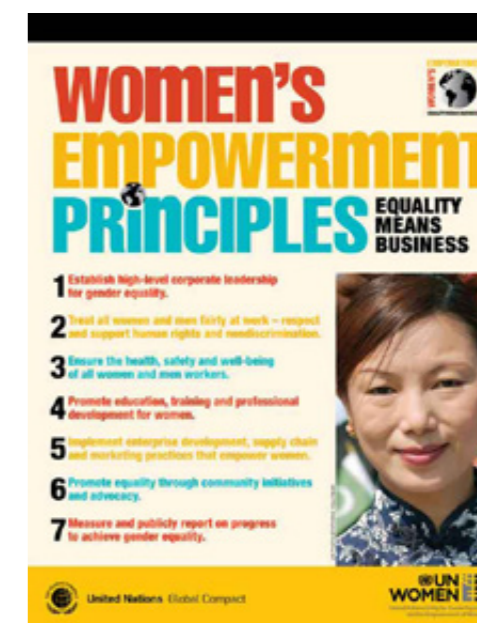
During 2017 we will undertake our third Children's Rights & Business Principles Audit which will help us to assess our progress and identify the priorities for the coming two years. We will do this in conjunction with key partners and NGO's in the areas where we operate. We also remain a member of the International Programme on the Elimination of Child Labour (IPEC). The rights of children and the elimination of child labour in the sandstone sector still remains a key driver for us.



# Diversity, UN Women Engagement & Women's Empowerment Principles Framework

We had planned to undertake a full audit against the Women's Empowerment Principles during 2016 but this will now happen in 2017. The ground work has been laid and Marshalls is set to engage with UN Women UK during the first half of 2017, to undertake the WEPS audit and to undertake internal research regarding diversity throughout our operations. We understand that women have a critical role to play in all of the sustainable development goals, with many targets specifically recognizing women's equality and empowerment as both the objective, and as part of the solution - Goal 5 is known as the stand-alone gender goal because it is dedicated to achieving these ends. 2017 will see the launch of Marshalls internal women's network, Marshalls Women Step it Up.

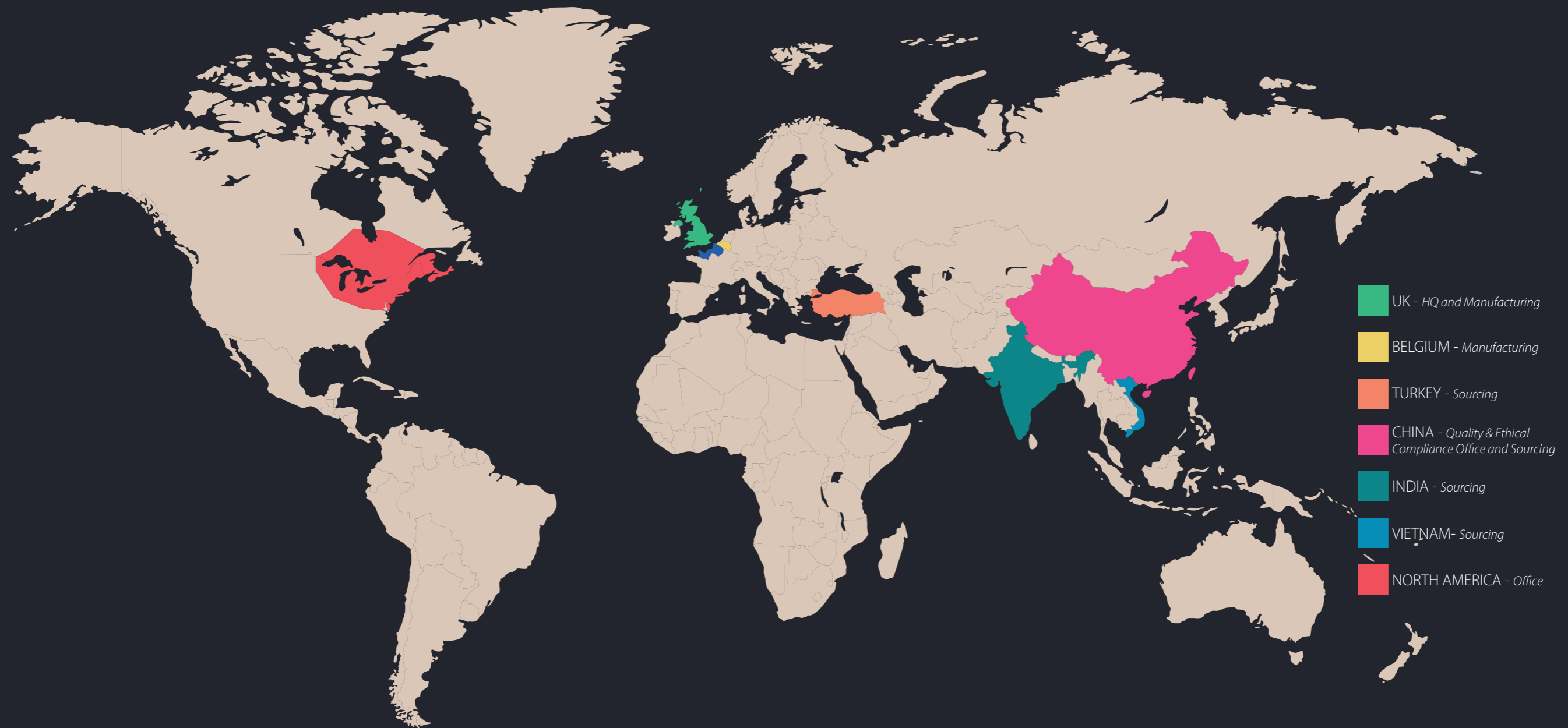
**MARSHALLS  
WOMEN  
STEP IT UP**



Please enjoy read on and finding out more about how sustainability is helping to build competitive advantage for our business.

Chris Harrop  
Group Marketing Director Responsible for Sustainability  
Marshalls plc

# Scope of Operations



# Achievement Indicators



Collaborating & Sharing Best Practice

Delivering Best Practice

Achieving Good Results

Reviewing Feedback & Developing

Piloting New Initiatives

Legal Compliance

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. Whilst it is Marshalls' intention to introduce GRI methodology in subsequent COP reports, it has left its own indicators in place for this 2016 report.

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.



## Global Reporting Initiative (GRI)

The GRI is a framework for reporting on an organisation's economic, environmental and social performance.

The goal of sustainable development is to 'meet the needs of the present without compromising the ability of future generations to meet their own needs.' (1)

As key forces in society, organisations of all kinds have an important role to play in achieving this goal.

*'The urgency and magnitude of the risks and threats to our collective sustainability, alongside increasing choice and opportunities, will make transparency about economic,*

*environmental and social impacts a fundamental component in effective stakeholder relations, investment decision, and other market relations. To support this expectation, and to communicate clearly and openly about sustainability, a globally shared framework of concepts, consistent language, and metrics is required. It is the GRI's mission to fulfil this need by providing a trusted and credible framework for sustainability reporting that can be used by organisations of any size, sector or location'. (2)*

Key executives, managers and individuals have undergone GRI accredited training and have formed a working party responsible for the delivery of GRI monitoring and reporting moving forward. Marshalls' 2015 COP will contain further GRI disclosure regarding economic, environmental, social – labour practices and decent work – human rights, society and product responsibility.

(1) World Commission on Environment and Development. *Our Common Future*. Oxford: Oxford University Press, 1987, p.43

(2) GRI Sustainability Reporting Guidelines, 2011, p.2

# Third Party Assurances

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 UK Network of the UNGC. Any suggested changes will be made and the report will be re-submitted, if required, to the UNGC following the peer review process.

As indicated in the 2010 COP, Marshalls has sought to extend stakeholder engagement in the COP process by inviting feedback of its COP by inviting employees, customers, suppliers, partners, NGOs, third parties and peers to assess the company's progress.

Marshalls looks forward to receiving comments from its wide range of stakeholders. Details of where to give feedback via a dedicated survey can be found at the end of this report.

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

## The Marshalls Brand Manifesto.

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

Marshalls believe 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 to the benefit of everyone. So, whether it's through fairly traded 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.

 **Marshalls. Imagine Better**



# Marshalls

## The Superbrand



An insight into some of Britain's strongest brands



## Marshalls

*Creating Better Spaces*

**Marshalls is the UK's leading manufacturer of hard landscaping products and has been supplying superior natural stone and innovative concrete products to the construction, home improvement and landscape markets since the 1890s. Marshalls believes that the better environments are, the better people can be and strives to create products that improve landscapes to create happier and healthier communities.**

### Market

In the public sector and commercial markets, Marshalls focuses on developing products that help architects, local authorities and contractors to create better spaces, whether it is street furniture, natural stone paving, stone cladding and facades, block paving, water management or protective products. Marshalls' domestic customers range from homeowners to professional landscapers, driveway installers and garden designers. Sales continue to be driven through the Marshalls Register of Accredited Landscapers and Driveway Installers.

Marshalls has an established and growing presence in the Middle East, Northern Europe, North America and China.

### Product

Marshalls is committed to producing new products that better existing market offerings and to make them from the best materials it can source. Over the years, Marshalls has continued to develop and expand its products and services to both the commercial and domestic markets.

In the public sector and commercial market, Marshalls satisfies the needs of a diverse commercial customer base which spans local authorities, commercial architects, specifiers, contractors and housebuilders. It offers them unrivalled technical expertise, manufacturing capability and an enviable product range,

including superior natural stone, innovative concrete hard landscaping products, water management solutions, rail products, protective street furniture and natural stone cladding and facades.

Marshalls' domestic customers range from DIY enthusiasts, to professional landscapers, driveway installers and garden designers, and Marshalls specialises in helping them to create beautiful, yet practical, outdoor spaces that families can enjoy for years to come.

Marshalls extensive product ranges are designed to inspire, combining quality, elegance and durability in both traditional and cutting-edge designs, with products to suit every taste and style.

### Achievements

Sustainability remains at the heart of everything Marshalls does. As the first company in its sector to belong to the Ethical Trading Initiative (ETI), Marshalls is committed to the implementation of the ETI Base Code, pioneering the ethical sourcing of natural stone paving from India and China, and has remained a signatory of the United Nations Global Compact since its acceptance in 2009.



marshalls.co.uk



**3,250+**  
OF MARSHALLS' COMMERCIAL PRODUCTS HAVE  
A CARBON TRUST CARBON REDUCTION LABEL

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 2017 Superbrand book provides insights into Marshalls' branding strategy and business success. Further information can be found at [www.superbrand.uk.com](http://www.superbrand.uk.com)



**Marshalls**  
*Creating Better Spaces*

2017

MARSHALLS



**DID YOU KNOW?**  
Marshalls stone clads the new Bloomberg building in the City of London.

### Promotion

Marshalls continues to invest heavily in communications across the group of businesses. The 2016 domestic advertising campaign 'Give your home the attention it deserves' was used to promote the business' landscape products and Register of Accredited Installers.

The commercial business focused on challenging the stereotypes of paving and ran an integrated campaign titled 'Get a new perspective on paving', which recently won a UK marketing award.

Marshalls' digital strategy is also increasing in its importance, combining digital trading, digital marketing and digital business. This strategy is focused on the customer experience and the key touchpoints therein. Specifically, Marshalls has created web and mobile applications which allow customers to model their requirements, allow digital access to the registered installer base and allow real-time visibility of stock.

Furthermore, Marshalls continues to lead the way in thought leadership, and were recently featured on the BBC's The One Show, discussing the importance of protective street furniture and how it can be attractively integrated into landscapes without compromising on a design's aesthetic.

### Brand Values

Marshalls' shared values of Leadership, Excellence, Trust and Sustainability underpin the company and are important to the continued success of the business.

Marshalls aims to be the supplier of choice for every landscape architect, contractor, installer and consumer, and for the brand to remain synonymous with quality, innovation and superior customer service.

### Brand History

- 1890** Solomon Marshall starts to quarry in Southowram, Halifax, and in 1904 establishes S. Marshall and Sons Ltd in West Yorkshire.
- 1947** A second production site is opened, manufacturing lintels, steps and fence posts. In 1948 an engineering division is established.
- 1964** Marshalls becomes a plc, with shares quoted on the London Stock Exchange.
- 1972** New product development sees the introduction of block paving and the famous 'Beany Block' which combines drain and kerb.
- 1988** Brick manufacturer George Armitage & Sons is acquired, becoming Marshalls Clay Products.
- 2004** Marshalls acquires Woodhouse, expanding its product offering to include designed-led street furniture, lighting and signage.
- 2009** More than 2,000 of Marshalls' commercial products now have a Carbon Trust Carbon Reduction label.
- 2011** Marshalls announces a European venture, Marshalls NV.
- 2012** Marshalls is an official supplier to the London 2012 Olympic Park. In addition, an office is opened in Xiamen, China.
- 2014** Marshalls is accredited by the Living Wage Foundation.
- 2015** The Fair Tax Mark is awarded to Marshalls, and the company's Design Space in London is opened.
- 2016** Marshalls publishes its Modern Slavery Statement.

# M-Way – Marshalls Supplier Code of Conduct and Ethical & Sustainable Procurement

M-Way is our new Supplier Code of Conduct. It covers our values and why an ethical approach matters to us; ethical procurement & sustainability; anti-bribery & corruption measures; fraud & deception, open and fair competition; our commitments to employees; protecting and respecting human rights; our modern slavery commitments; protecting the environment; and what to do if you have a serious concern.

It's Marshalls-Way of doing business. M-Way makes absolutely clear the way in which Marshalls aspires to work; what we value, our approach to sustainability and how we aim to treat people. M-Way applies to all of us, and achieving our own high standards and aspirations is an expectation we have of ourselves and those that we work with.

During 2016 the procurement department, and our business and human rights lead, have worked closely, together with a leading provider of online compliance training and risk management software, to develop a programme of online compliance training for suppliers on Marshalls Supplier Code of Conduct, Modern Slavery and Anti-Bribery & Corruption. This will be rolled out during the first quarter of 2017 and we look forward to reporting back on its impact in our next report.



“At Marshalls we are all guided by our values in all that we do. Leadership, Excellence, Trust & Sustainability define the decisions that we all make each and every day in the running of our business. I want there to be no doubt – to employees, suppliers, partners and other stakeholders – about how Marshalls operates; the things that we will and will not do and how we treat people. M-Way – Marshalls Way – makes this absolutely clear. It sets out what we value as an organisation and what we look for in our suppliers and partners. It also makes clear what we expect of ourselves and if you find us falling short in any way I want you to tell us. We will always support you for challenging practices or behaviours that do not meet the standards that we have set out in M-Way.”

Martyn Coffey, CEO Marshalls.

“M-Way reflects Marshalls absolute commitment to ethical and sustainable procurement practice. We will only do business with responsible suppliers and subcontractors who understand the nature of the products, materials and services they supply and who recognise their responsibility to protect the environment whilst fostering good relations with their employees and local communities.”

Richard Beale, Group Supply Chain Director



# M-Way Applies To You

Our code applies to all of us, and complying with it is an expectation we have of everyone we work with.

Marshalls is committed to working only with business partners whose standards are consistent with our own, and who respect our values. This includes joint venture and business partners, commercial customers, sub-contractors, consultants and all suppliers of goods and services.

When you work with us, we expect you to demand these same standards of your supply chain; your partners, sub-contractors, consultants and suppliers.

## Suppliers & Partners: The Commitments We Aspire to Make To Each Other.

In our business dealings:

1. We value Leadership, Excellence, Trust and Sustainability.
2. Are honest and transparent.
3. Support diversity, human rights and treat everyone equally.
4. Select and reward people and organisations based on a fair objective process, clear expectations of what is required and demonstrated competence for the job.
5. Regularly, fairly and openly evaluate our own performance and the performance of others.
6. Meet our obligations of corporate responsibility.
7. Keep our promises and fulfil the commitments we make openly, honestly and promptly.
8. Work to resolve disputes at the earliest stage and in a manner consistent with this **M-Way** code.
9. Communicate truthfully, clearly, regularly and punctually.

# Global Supply Chains for Natural Stone

Rory Kendrick, Marshalls Natural Stone Sourcing Director

Responsible for sourcing existing and new natural stone products worldwide and identifying suitable trading partners, a key part of my work is identifying the very best in natural stone from around the world. While this involves developing products that compliment our existing product portfolio and working with our suppliers to determine product specification and service levels, it's also about making sure that the technical properties of the stone live up to the quality demanded by Marshalls' Stone Standard\*. When looking at technical properties we're checking water absorption, slip resistance, flexural strength, frost resistance, chemical composition and more for each stone type. While all of this this is driven by the geology in each country we source from, Marshalls' purchasing decisions are also based on the results of a rigorous due diligence process which involves desk-based assessments, supplier visits and audits against the UNGC principles covering human rights, labour, environment and anti-corruption, ongoing third party

auditing visits and clear corrective action plans if necessary, and detailed human rights impact assessments.

Our assessment for natural stone is therefore undertaken in stages resulting in a 'go/no-go' protocol. Essentially it's based primarily on adherence to the UNGC Principles, implementation of the Ethical Trading Initiative Base Code and a clear Human Rights Impact Assessment Programme.

Importantly, once a trading relationship is established I work with my colleagues in procurement, ethical labour & supply chains and business & human rights, to guide and support suppliers on a journey of continuous improvements in ethical standards wherever they are in the world, be it India, China, Vietnam, Turkey, Brazil or anywhere else.

Stage 1:
Initial Desk-based Due Diligence Report referencing published data from sources including, but not limited to: International Peace Index Global Observatory, Human Rights Watch Global Report, Human Rights Monitor, Universal Human Rights Index Database, Amnesty International Annual Report, Transparency International's Corruption Index, Children's Rights and Business Atlas, Gender Inequality Index, Social Institutions and Gender Index, The Global Slavery Index, ITUC Global Rights Index and the International Labour Organisation.
Stage 2:
Initial Supplier Visit and Audit against United Nations Global Compact Principles – Human Rights; Labour; Environment; Anti-Corruption; <a href="https://www.unglobalcompact.org/what-is-gc/mission/principles">https://www.unglobalcompact.org/what-is-gc/mission/principles</a> – and the Ethical Trading Initiative Base Code; <a href="http://www.ethicaltrade.org/resources/eti-base-code">http://www.ethicaltrade.org/resources/eti-base-code</a> .
Stage 3:
Third Party Auditing Visit and Report resulting in a clear corrective action plan if necessary.
Stage 4:
Detailed Human Rights Impact Assessment report which is then incorporated into ongoing updates, internal briefings, and corrective action plans, etc.

\*Marshalls Stone Standard - <http://www.marshalls.co.uk/homeowners/assets/pdfs/driveway-garden-patio-information-sheets/marshalls%20stone%20standard%20booklet.pdf>



# Future Spaces: The Changing Face of the Spaces We Share

Marshalls believes in creating better spaces – and as the UK’s leading landscape materials brand, we believe that it’s important to think ahead. Future Spaces is our ambitious attempt to foresee how the commercial, public and domestic spaces we help design, build and share might adapt and evolve over the next ten years. We set out to predict how changing lifestyles, technology and economic conditions might dictate the look, feel, colour, shape, textures and materials used to create those spaces. But once we dug below the surface we found much more. Four unstoppable global megatrends driving 12 emerging themes: pervasive forces that will change the nature of our built environment, both subtly and dramatically. Future Spaces is the result of our own intensive research, including interviews with academics, industry commentators, journalists, architects, landscape designers, materials technologists, engineers, futurologists – as broad a spectrum of opinions, ideas and experience as we could find. Here, we’re delighted to share a brief glimpse of what we might expect as the future rushes towards us at an ever-increasing pace. Our full findings are published in ‘Future Spaces’, a limited edition book that not only reveals how the spaces we share will be designed, but also how they will be owned, governed, managed, occupied, humanised and monetised. If you are intrigued by this short introduction to our Future Spaces project, and you’re keen to find out more, visit [marshalls.co.uk/futurespaces](http://marshalls.co.uk/futurespaces).



## DEMARCATING MULTI-USE SPACES

[www.marshalls.co.uk/futurespaces/multi-use-spaces](http://www.marshalls.co.uk/futurespaces/multi-use-spaces)



## THE NEW WAVE OF WATER MANAGEMENT

[www.marshalls.co.uk/futurespaces/water-management](http://www.marshalls.co.uk/futurespaces/water-management)



## FUTURE CONCRETE

[www.marshalls.co.uk/futurespaces/future-concrete](http://www.marshalls.co.uk/futurespaces/future-concrete)



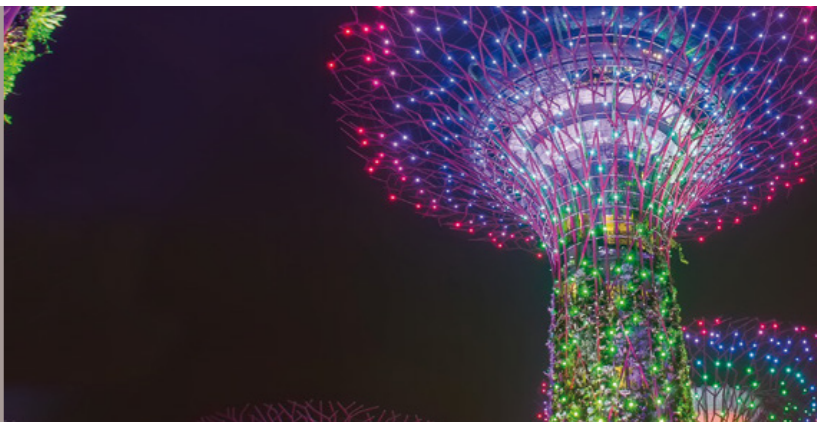
## THE BLURRING OF PUBLIC/PRIVATE SPACES

[www.marshalls.co.uk/futurespaces/public-private](http://www.marshalls.co.uk/futurespaces/public-private)



## THE BLOSSOMING OF BIOPHILIC DESIGN

[www.marshalls.co.uk/futurespaces/biophilic-design](http://www.marshalls.co.uk/futurespaces/biophilic-design)



## MORE PEOPLE IN SMALLER SPACES

[www.marshalls.co.uk/futurespaces/smaller-spaces](http://www.marshalls.co.uk/futurespaces/smaller-spaces)



## URBAN GREENING

[www.marshalls.co.uk/futurespaces/urban-greening](http://www.marshalls.co.uk/futurespaces/urban-greening)



# THE RISE OF THE SUPER -LANDLORD

[www.marshalls.co.uk/futurespaces/super-landlords](http://www.marshalls.co.uk/futurespaces/super-landlords)



# THE GENDER - NEUTRALISATION OF SOCIETY

[www.marshalls.co.uk/futurespaces/gender-neutralisation](http://www.marshalls.co.uk/futurespaces/gender-neutralisation)



# PLACE MAKING FOR THE PEOPLE

[www.marshalls.co.uk/futurespaces/place-making-for-the-people](http://www.marshalls.co.uk/futurespaces/place-making-for-the-people)



# BUILDING - IN RESILIENCE

[www.marshalls.co.uk/futurespaces/building-in-resilience](http://www.marshalls.co.uk/futurespaces/building-in-resilience)



# THE CIRCULAR ECONOMY


[www.marshalls.co.uk/futurespaces/circular-economy](http://www.marshalls.co.uk/futurespaces/circular-economy)



# Product Innovation: The Marshalls Stone Standard

Have complete confidence in the stone you lay...  
What is the Marshalls Stone Standard?



**Marshalls**  Indian sandstone is popular in the UK and complements the style of many British homes, however not all sandstone is the same. When you think of stone, you think of it being strong and long-lasting. In reality, there's a wide variety of Indian sandstone products currently available on the

market and this variation causes confusion amongst homeowners as to what constitutes good quality stone. We tested Indian sandstones currently available in the UK and found over 50% failed to meet the British Standard\*. This means homeowners may be purchasing stone which could fail during installation, or once installed could cause maintenance issues or costs to repair the damage.

To ensure all the sandstone products Marshalls supplies are fit for purpose, we have carried out tests and have labelled our sandstone products with the 'Stone Standard' trademark. This trademark gives our customers peace of mind when choosing sandstone for their garden patio or driveway. There are three key stone characteristics homeowners should be aware of when choosing sandstone for their garden:



There are three key stone characteristics you need to be made aware of...

**All Marshalls' sandstone supplied will have a low water absorption percentage.**

The lower the water absorption, the less chance the stone has of going green due to algae growth.

Sandstones with a high water absorbency may turn green quickly



**All Marshalls' sandstone will have a high flexural strength.**

This means the stone is stronger and less likely to break or crack under pressure or in transit.

Bed delamination indicates low flexural strength



**All Marshalls' sandstone supplied is frost resistant.**

If stone loses strength or starts to fall apart when subjected to repeated frosts, then it isn't fit for purpose. Marshalls' sandstone is strong and will cope with harsh winters with minimal maintenance.

Damage caused by frost



Quality sandstone will look good for years to come



Any natural stone paving that doesn't meet these criteria, will not be fit for purpose and could fail. Make sure you are fully aware about the products you are laying. **'The Marshalls Stone Standard'**

# Product Innovation: Protective Street Furniture

Following events in recent years, the threat of international terrorism has risen to unprecedented levels.

In order to meet the ever evolving security threats faced by modern day society, Marshalls places an emphasis on the development of physical perimeter security products designed to protect people, places and infrastructure from the threat of vehicle-borne attacks.

Marshalls RhinoGuard™ products have been successfully tested in accordance with BSI PAS68 and PAS69 Standards for vehicle security barriers as set by the Government and key agencies such as The Home Office, Office for Security and Counter-Terrorism, The Centre for the Protection of National Infrastructure (CPNI) and The National Counter Terrorism Security Office (NaCTSO).

The Standard tests a specific vehicle weight impacting a barrier at a specific speed (for example, a 1.5 tonne vehicle crashing into a bollard at 30mph). Testing weights range from 1.5 tonnes to 7.5 tonnes at speeds of either 30, 40 and 50mph.

As an active member of the Perimeter Security Suppliers Association (PSSA), Marshalls designs and supplies products to provide effective hostile vehicle mitigation in proportion with all levels of risk, site vulnerability and project budgets.

For more information on classifications and designs, please contact us on 0370 600 2425.



RhinoGuard™ 15/30



RhinoGuard™ 75/30 Seat Frame



RhinoGuard™ 75/40



RhinoGuard™ 75/30 Seating



RhinoGuard™ 75/30 Shallow mount excavation



# Product Innovation: Protective Street Furniture



**RHINO GUARD™**  
RhinoGuard™ Glove Planters, Cardiff

Successfully crash tested in accordance with BSI PAS68, PAS69 and PAS170, RhinoGuard™ products offer the highest level of protection for buildings and landscapes. There are 6 bollards to choose from which provide impact performance at distinct levels of protection and budget. All impact tests have used various vehicle types travelling at different speeds. Seating, planters, litter bins and cycle stands complete the range.



# Sustainable Development Goals & How Marshalls is Contributing

The Sustainable Development Goals build 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, Prostate Cancer Charity of the Year Support.
SDG4	Children's Rights & Business Principles Top 10 Priorities Implementation, UN Women Women's Empowerment Principles Engagement, Business in the Community Business Class Engagement.
SDG5	UN Women Women's Empowerment Principles Engagement, Marshalls Women 'Step it Up' Network.
SDG6	UN CEO Water Mandate, Priora Product Innovation, New Product Research & Development Programme, Marshalls Operations Water Management Programme.
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.
SDG10	ETI Base Code Implementation, UN Women Women's Empowerment Principles Engagement, Children's Rights & Business Principles Top 10 Priorities Implementation, Fair Tax Mark, Living Wage Accreditation, Ethical & Sustainable Procurement Supplier Code of Conduct.
SDG11	Future Spaces Research, New Product Development, eg. M-Live, ETI Base Code Implementation.
SDG12	Ethical & Sustainable Procurement Supplier Code of Conduct, Fairstone, Product Carbon Footprint, ETI Base Code Implementation.
SDG13	Product Carbon Footprints, Marshalls Environmental KPI's, 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.
SDG16	Fair Tax, Anti-Bribery & Corruption Policy & Training, Modern Slavery Act Implementation & Engagement.
SDG17	Fairtax Accreditation, UNICEF Research, IPEC Engagement, UNGC, UN Women Women's Empowerment Principles Engagement.

## SDG7 – Focus on our own solar panels

Marshalls solar bus shelter design is an example of how solar technology can be discretely embedded into the fabric of structures and buildings, representing a convenient and attractive means of reducing carbon footprints in urban environments. The solar bus shelter is capable of generating more than 2000kW hours per year, enough electricity to power the average London home – so adoption of this exciting technology can make a significant contribution to London's sustainable future.

## SDG 8: 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.

## SDG11 – Focus on Sustainable Cities and Communities

Marshalls has developed 'M-LIVE' a new technology that enables ordinary street furniture products to connect with a personal Bluetooth tag, carried by a pedestrian. The tag can be programmed by an individual user via an online portal or app to enable the furniture to respond to their needs. This means that bollards can let a blind person know when they have reached a certain shop, monoliths can speak in a foreign language to guide tourists or street lighting can get brighter on approach for the elderly. <http://www.marshalls.co.uk/commercial/street-furniture/intelligent>

Chris Harrop, Group Marketing Director, says, "The introduction of this technology can ultimately revolutionise a person's experience of the built environment, opening up places and spaces which may have previously been either difficult for disabled people to navigate, or areas which have felt unsafe perhaps to women or to others in general. We are actively seeking collaborations and partnership so that we can transform towns and cities for the benefit of all."

# Fairstone®

Marshall's Fairstone® is an ethically sourced range of Natural Stone that has been quarried and produced in line with a clear set of ethical values and commitments.

## Fairstone® INDIA Defined

Marshall's knows where its quarried stone comes from. It knows how it is manufactured and that it has been produced in accordance with a clear and unequivocal set of ethical values and commitments . Specifically in the India supply chain:

- ✓ No child labour is used
- ✓ Indian workers receive living wages
- ✓ Health & safety practices are in place

Marshall's employs a full time, field-based, Social Auditor in India who works with quarry owners and workers on a daily basis to ensure the ongoing implementation of the Ethical Trading Initiative Base Code and to monitor progress. Daily contact, weekly reporting, annual third party auditing and regular quarry inspections by Company employees allow Marshall's to ensure that Fairstone commitments are upheld.

Marshall's is committed to working in partnership with its sole supplier Stone Shippers India to achieve continuous improvement in supply chain conditions and to help deliver tangible benefits to all workers involved in stone production, their families and the wider community.

Since early 2007, and following community consultation, Marshall's has worked with local NGO Hadoti Hast Shilp Sansthan.

## Fairstone® CHINA Defined

Marshall's knows where its quarried stone comes from. It knows how it is manufactured and that it has been produced in accordance with a clear and unequivocal set of ethical values and commitments :

Specifically in the Chinese supply chain:

- ✓ Chinese workers receive living wages for a normal working period
- ✓ Working hours are not forced economically or physically
- ✓ Health & Safety practices are in place

Through its local office in Xiamen, Marshall's employees regularly visit quarries and factories to work alongside workers and managers to ensure that these three commitments are implemented. In addition, a dedicated member of Marshall's Chinese team takes the lead on all ethical supply chain matters. Quality Controllers also play a critical role in improving worker conditions.

Marshall's is committed to working in partnership with its suppliers in China to achieve continuous improvement in supply chain conditions and to help deliver tangible benefits to all workers involved in stone production, their families and the wider community.

- Marshall's ensures that every quarry and factory in its supply chain has an appropriate first aid kit.
- Marshall's has also specifically funded the training of a nominated worker at each quarry and production facility in first aid practices.
- Marshall's funds regular cultural community events for workers, their families and the wider community.

## Fairstone® VIETNAM Defined

Marshall's Fairstone® is an ethically sourced range of Natural Stone.

Fairstone® means that Marshall's knows where its quarried Vietnamese stone comes from, how it is manufactured and that it has been produced in accordance with a clear and unequivocal set of ethical values and commitments based on the ETI Base Code and UNGC Principles:


- ✓ Bonded labour is not used, i.e. prison labour
- ✓ Living wages are paid for a normal working period
- ✓ Working hours are not forced economically or physically
- ✓ No child labour is used
- ✓ Health & safety practices are in place

The Fairstone® Manager takes the lead on all ethical supply chain matters and the co-ordination of the in-field Quality Controllers who play a critical role in monitoring and improving worker conditions.


Marshall's works with a small number of suppliers in Vietnam and is committed to building relationships which promote shared learning, best practice and the continuous improvement of conditions throughout the supply chain for workers.

Marshall's has ensured that every quarry and production facility in its supply chain has an appropriate first aid kit and has specifically funded the training of a nominated worker in first aid practices.

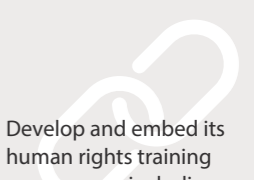
# Marshall's Response to UNICEF's Research Findings




Develop and embed 'Marshall's Protocol Regarding the Elimination of Child Labour' which is effectively a Standard Operating Procedure for the organisation which sets out measures to ensure a child labour free supply chain, and also what should be done if an instance of child labour is identified.




Work to establish a Living Wage Benchmark




Develop and embed its human rights training programme, including children's rights, throughout its supply chain.



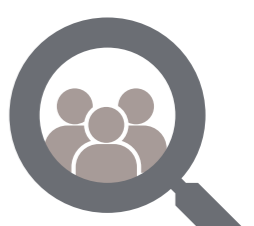
Continue to implement the ETI Base Code on a daily basis



Work with its sole supplier and its UK-based procurement team in order to ensure a high level of human rights knowledge and to ensure that an increase in demand to not have negative effects on workers.



Marshall's will continue to undertake human rights due diligence, including an explicit focus on the rights of children, using the Children's Rights & Business Principles as a framework.



Ensure a human rights lens in Due diligence process.

**1. FACT**

CHILD LABOUR DOES EXIST IN THE INDIAN SANDSTONE SECTOR

**AN ESTIMATED 200,000**

children are employed in the sandstone industry in India which is classified as hazardous and one of the worst forms of child labour.

**2. FACT**

CHILD LABOUR IS A GROSS INFRINGEMENT OF CHILDREN'S RIGHTS

**CHILDREN AS YOUNG AS 6 and 7 ARE WORKING AS CHILD LABOURERS**

Working as a child labourer and trapped in a cycle of poverty affects almost all of a child's human rights.

**3. FACT**

CHILD LABOUR TRAPS CHILDREN INTO A LIFELONG CYCLE OF POVERTY

**ALCOHOL & DRUGS**

ARE OFTEN USED TO EASE THE PHYSICAL PAIN OF DOING SUCH GRUELLING WORK

Alcoholism, drug abuse and associated problems of prostitution, HIV/AIDS and sexual violence all compound the situation and perpetuate the poverty cycle.

**4. FACT**

ACTIVITY IN THE STONE SECTOR TO HIDE & DENY CHILD LABOUR

**SHROUDED IN SECRECY**

CHILD LABOUR IS USUALLY HIDDEN FROM THE PUBLIC EYE

**5. FACT**

THE PHYSICAL IMPACT UPON CHILDREN WORKING IN THE SANDSTONE INDUSTRY IS IMMENSE

**90% OF CHILDREN** Exposed to dust, fumes, fire and gas at work

**69% OF CHILDREN** Exposed to loud noise, vibration and extreme temperatures at work

Children reported health problems including fever, extreme fatigue, superficial injuries or open wounds, body/back ache, burns, corrosions, scalds or frostbite, & stomach problems such as diarrhoea.

**6. FACT**

CHILDREN WORK TO SUPPORT THEMSELVES, THEIR FAMILIES AND TO PAY OFF FAMILY DEBTS

The average working hours of children labourers is between

**6-7 HOURS A DAY**

75 per cent of children said they worked to supplement family income.

**7. FACT**

AVERAGE INCOME OF A CHILD LABOURER IN KOTA AND BUNDI

**£35 A MONTH AVERAGE INCOME**

The majority of children confirmed that they received payment for their work, some said that payment for their work was given to parents or that they did not get any payment at all.

**8. FACT**

CHILD LABOUR UNDERMINES LABOUR STANDARDS & HOLDS THE INDUSTRY BACK

**DRAWN TO WORK BY DEPRIVATION...**

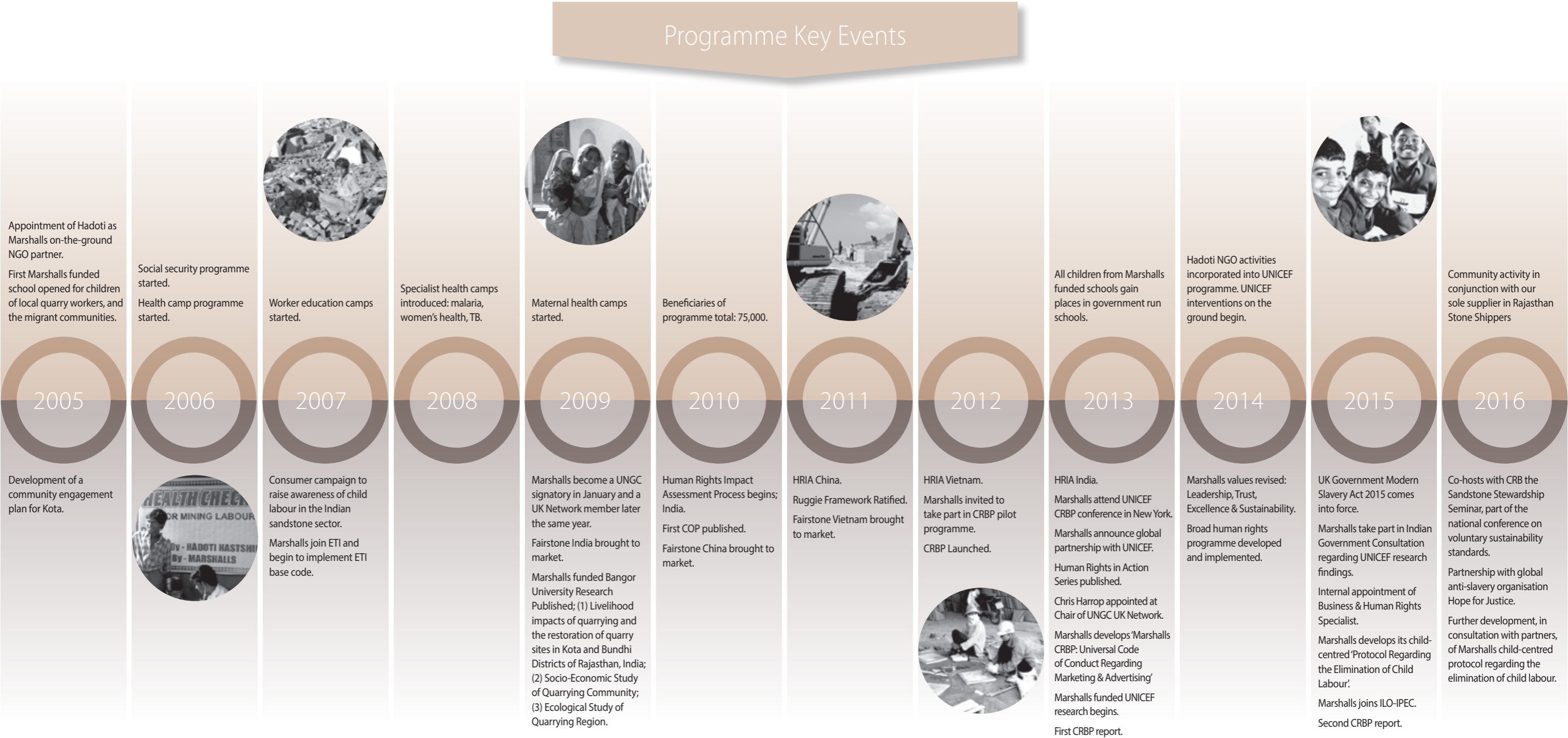
CHILD LABOUR IS USUALLY HIDDEN FROM THE PUBLIC EYE

By driving down child wages and depriving children of education, child labour results in poverty, reducing their future potential to generate income and improve their standard of living.

All facts and figures in the leaflet are taken from the UNICEF UK 'Children's Lives Cast in Stone: The Sandstone Industry in Kota & Bundi, Rajasthan, India' (September 2015). This important research was commissioned by UNICEF UK and funded by Marshall's plc as part of its strategic partnership with UNICEF which aims to eliminate child labour in the sandstone sector in Rajasthan. To access the report please go to the publications section at [www.marshall's.co.uk/sustainability/publications](http://www.marshall's.co.uk/sustainability/publications).

Be Part of the Solution With Fairstone.

# Programme Timeline & Key Events



# Ethical Supply Chains Fact or Fiction?



An ethical supply chain goes along way towards eradicating child labour. How do you know who's genuinely committed to improving the situation for children and their families? There's been much discussion over the past few months about truth, post truth and out-and-out lies; not only in politics but in all walks of life, including business. Marshalls is all in favour of a highly competitive market place, and thrives on it, but we're increasingly aware of competitor claims which don't just stretch the truth but which shamelessly shrug off the truth and kick it to the kerb without so much as a backwards glance, all justified in the name of commerce.

This leave many questions unanswered: 'What does this mean for a level playing field?' 'Does this mean unsubstantiated claim after unsubstantiated claim left unquestioned?' 'What are the organisations who are legally bound to implement and report in relation to the UK Modern Slavery Act doing about those in their supply chains who shamelessly make false claim after false claim?' How Do You Know Who's Telling the Truth?

Take, for example, the natural stone industry which has become increasingly fiercely competitive, especially when it comes to Indian Sandstone, with many companies

## Did you know?

### What are 'Stone Vendors'?

As the popularity of Indian Sandstone continues to grow a number of Stone Vendors have started to operate in the quarrying regions of India. These Stone Vendors can source, process and ship a wide variety of Indian stone to anybody who contacts them. The use of a stone vendor is perfect for any company who isn't interested in where the stone they are buying is quarried from, how it is processed or how it is shipped to the UK. Companies who buy through Stone Vendors do not need to visit India at any part of the quarrying or processing stages meaning the vendors are free to buy stone from illegal quarries where child labour is often used, all of these factors mean the price of the stone available through a vendor is cheaper than anywhere else.

## Did you know?

### What is the 'artisan method'?

The artisan method is a process where a piece of stone, which started out life as a riven slab is cut and processed to look like sawn pieces of paving. One of the main giveaways that a sawn piece of paving started out life as a riven slab is that it will be sawn on 5 sides but have a calibrated underside, the calibrated underside is necessary to get the slab to the correct thickness.

### Marshalls sawn products are different.

We only cut our sawn product from 'freestones' these are stones which have no natural beds in them meaning it can't be split by hand, it can only be cut by saws into paving slabs. The reason we do this is because freestones are tougher, more durable stones meaning the paving we supply is of an extremely high quality.

looking to supply the British market. Many of our competitors claim they offer an 'end-to-end' solution and trade responsibly, but the fact of the matter is that much of this is untrue and whilst the claims are made, in reality there is little management of any part of their Indian supply chain. So, let's look in detail at the claims that are made.

#### **What Other Companies Say: 'We Own Our Own Quarries in India'**

**Fact:** Nobody can own a quarry, the land people quarry from is leased from the government for a set period of time. In India only Indian registered companies can apply for one of these leases. Unfortunately there are also a large number of illegal quarries operating in India which have not obtained a licence from the Indian government. Unscrupulous suppliers will buy product from these illegal quarries as it dramatically reduces the cost of the stone. Unlicensed quarries are usually worked by people being paid very low wages or involves child labour to keep wage costs low.

**What Marshalls Does:** We work extremely closely with our global suppliers to ensure we are Only working with and buying stone from those who have legal quarry licences.

#### **What Other Companies Say: 'We have invested significant amounts of time, money, and resources in to our Indian manufacturing and processing facilities'**

**Fact:** A number of companies in the UK who sell Indian stone will actually use vendors\* to source, process and ship products for them, meaning they do not invest money into manufacturing or processing facilities in India and have absolutely no control over the stone they are buying.

**What Marshalls Does:** The suppliers Marshalls works with in India are continually investing Money into new machinery and processing sites meaning we are able to provide our customers with stone products which are cut and finished to the highest quality. We are proud of the long-term relationship we have with our Indian suppliers, and continually look to innovate and improve our systems.

#### **What Other Companies Say: 'Our Products are CE Marked'**

**Fact:** Many companies claim their product is CE marked in accordance with the European standards but, in fact, they have allowed their suppliers or vendors to 'create a CE certificate' for them and often the stone tested does not match the stone they are supplying.

**What Marshalls Does:** Marshalls carries out testing on all new stones in our own in-house lab but we also send samples to an independent lab based in the UK called Sandberg. We use the test results provided by Sandberg for our CE Certificate and Declaration of Performance. Our stone is tested regularly and through the control mechanisms we have in place, the stone we have tested is from the same sources as the stone we supply.

#### **What Other Companies Say: 'We Own Our Own Transportation Fleet in India to Transport Our Products to the Docks'**

**Fact:** To Marshalls' knowledge none of our main competitors own their own transportation fleet in India, they pay vendors within India to transport their products to the docks.

**What Marshalls Does:** Our suppliers in India do not own their own fleet of lorries to Transport products but we do load our product into containers at our suppliers factory which is then taken by road a short distance to the local

rail link. Our product is then taken by rail to the dock where it is then placed straight onto the cargo ship in the container it was originally loaded into. This is a more environmentally friendly, safer, way of transporting our product in India as well as minimising the damage to products caused by long distances on bumpy roads.

**What Other Companies Say: ‘We Work Closely with Our Supply Chain’**

**Fact:** Many of Marshalls’ main competitors rarely visit their suppliers in India, they simply reply on vendors in India to pick the stone for them and ship it to the UK, meaning they have little or no control over the stone they are selling, or knowledge of its exact origins. Any company which allow vendors to pick stone on its behalf means it will have little or no idea if the stone has come from an unlicensed quarry or if child labour was used in the supply chain.

**What Marshalls Does:** Marshalls visit its suppliers of natural stone products on a regular basis. These visits are usually carried out by our in house geologist, Rory Kendrick, a member of our sustainability team, by Stirling Smith, an independent auditor who also works with the governing body Ethical Trading Initiative, by myself, Chris Harrop, and by Elaine Mitchel-Hill our Business & Human Rights Lead and accompanied by our modern slavery partner, Hope for Justice.

**What other companies say: ‘We are committed to responsible trading.’**

**Fact:** Many of our competitors claim that they are committed to ‘responsible trading’, but the truth is that without having a secure, transparent supply chain and

In the face of all of this we’re proud to say that Marshalls does do things differently; being a responsible, ethical business is at the heart of our brand. It’s fundamental to our sustainable business model. We’re not here for the short term, we’re committed to the long term. So the suppliers we choose to work with share our passion and understanding of why a responsible and ethical stance is so important; quite simply the business case for this approach is compelling. Ultimately, we don’t believe that anyone wants to buy products knowing that they have been produced by workers who have been treated unfairly, involve child labour or where people have been put in danger during the production.

Marshalls has an absolute desire, driven by our integrity, to make a difference to the lives of the workers who provide us with the products we sell. But this is only made possible by building long term relationships with like-minded suppliers and working together to make the necessary and constant changes which are required in the dynamic global environment. And it’s through these supplier relationships that we can also ensure we are sourcing and producing products from quality raw material.

putting in the leg work necessary to build relationships, develop understanding, commit to joint ethical goals and to work together to overcome challenges it is quite frankly impossible to guarantee anything that comes anywhere near close to ‘responsible trading’.

**What Marshalls Does:** Marshalls source all of its Indian domestic products through one supplier, we regularly visit and audit both our supplier and the quarries they source the stone used for our products. We do this to ensure fair working conditions and pay are been given to all of the workers involved in our supply chain and that no child labour is been used.

**What Other Companies Say: ‘We are active members of the Ethical Trade Initiative (ETI)’**

**Fact:** Many of our competitors advertise that they are members of the ETI but do very little to wear the badge. Saying no child labour is used in their supply chain is an easy claim to make but what are they really doing to make sure that is the case? If there are no schools in the quarrying areas then how are the children of the miners getting an education?

**What Marshalls Does:** Marshalls and Stoneshippers have worked very closely with local communities in the Kota area to provide facilities such as a crèche and free health camps as well as providing basic items such as blankets and water bags to the local quarrying families. The CSR programme Marshalls and Stoneshippers have is very real and we keep people updated on the work we are doing through social media.

“In the light of truths, half-truths, post-truth and down-right-lies, regarding ethical products my invitation to you is this; if you have a question of Marshalls then go ahead and ask it. But also ask the rest of the market what they’re doing. Be tenacious. Don’t be fobbed off and don’t take the answers that you’re given at face value. Get them to substantiate their claims. If you do this you’re helping to create a level playing field that’s not only good for business but good for businesses that are respecting and supporting the rights of those involved in its operations and supply chains around the world.”

Chris Harrop, Group Marketing Director



# Modern Slavery; Transparency in the Supply chain

Marshall's was among the first to publish its Modern Slavery Disclosure Statement in May 2016. In it we identified six focus areas for which we have developed specific key performance indicators throughout 2016; these will be included in our second statement in May 2017. To view our existing statement please visit <http://www.marshall's.co.uk/documents/policies/Marshall's%20Modern%20Slavery%20Policy%20and%20Disclosure%20Statement.pdf>

## Modern Slavery Focus Areas for 2016/17



Deliver an internal awareness campaign throughout UK operations to all employees regarding modern slavery.



Modern Slavery training for all employees involved directly in supply chains and procurement.



Supplier communication and verification programme which confirms that suppliers have received and understood Marshall's' position regarding modern slavery and are aware of Marshall's Modern Slavery Policy & Disclosure Statement.



Report on its effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains including the due diligence processes outlined in Marshall's Modern Slavery Policy & Disclosure Statement.



Further develop the organisations supply chain due diligence, related human rights programme and external auditing process in order that instances of modern slavery can be identified, remedial action undertaken, the victims supported and that all of this is transparently reported.



Develop, in conjunction with appropriate partners, a process of remediation and support for victims of modern slavery identified within the organisations operations and supply chains.

# Global Partnership with Anti-Slavery Organisation



During 2016 Marshall's agreed a long-term partnership with Hope for Justice, an anti-trafficking and anti-slavery organisation which exists to bring an end to modern slavery by rescuing victims, restoring lives, and reforming society. (1) A major focus of the partnership will be preventative activity aimed at employee and supplier education but Hope for Justice will offer expert remediation services if required. Whilst at this point in time we are not aware of any instances of modern slavery within our business we understand that modern slavery is rife. This partnership will help us to deliver on the commitments we made in our first Modern Slavery Disclosure statement and the initial focus will be upon the UK, Vietnam and India.

“What’s special for us about Hope for Justice is that they are able to offer support and services which cover all aspects of training, prevention, investigation and response. They are a highly effective, efficient and well connected organisation, working closely with the Anti-Slavery Commissioner, Kevin Hyland. By working with them we will be in a position to make our operations and supply chains a distinctly unattractive proposition for the organised criminals seeking to exploit both individuals and businesses.”

Chris Harrop, Group Marketing Director

Neil Wain, International Programme Director at Hope for Justice, and Former Assistant Chief Constable, Greater Manchester Police, says, “As part of our own due diligence processes we scrutinize any partners seeking to work with Hope for Justice. Therefore I’m fully aware of the long-term efforts that Marshall's has made to support and uphold human rights around the globe and of the organisation’s genuine commitment to tackle modern slavery throughout its operations and supply chain. Indeed, Marshall's was one of the first organisations in the UK to publish its Modern Slavery Statement and as a result was identified as a ‘best performer’ (2), an early indication for us that it is absolutely committed to its work in this area. Marshall's has made clear to me its desire to uphold the highest levels of integrity towards its workforce and I’m confident that together we can break new ground particularly in terms of prevention, but also any remediation which might be necessary. I’m extremely pleased that Hope for Justice and Marshall's will move forward into 2017 as partners in the fight to end modern slavery.”

Business & Human Rights Lead, Elaine Mitchel-Hill, responsible for the implementation of the Modern Slavery Act within Marshall's operations and global supply chain, commented, “While there is obviously a strong business case for this partnership in light of the Modern Slavery Act, Hope for Justice’s victim-centred approach together with their investigative expertise and ability to both rescue and remediate were extremely compelling; to my knowledge they are the only organisation in the UK able to offer this holistic end-to-end service. Our partnership has already demonstrated that by being open, frank and providing constructive challenge we



can make good progress in the fight against modern slavery. I look forward to reporting on the progress that Marshalls has made in our second Modern Slavery Statement next year and to demonstrating how by fully engaging with an emerging business threat we can demonstrate best-practice as we drive towards transparent reporting. Increasingly it will be those organisations who continue to maintain that they remain untouched by the issues of modern slavery who will come under intense pressure to explain how this can possibly be the case in the light of this global issue."

Hope for Justice's training, developed through years of experience working directly with victims, law enforcement, other agencies and partners, will be delivered throughout the business and supply chain by frontline practitioners in collaboration with Marshalls' in-house training team and its army of Modern Slavery Ambassadors throughout the business.

In terms of prevention, Hope for Justice has extensive specialist experience identifying modern slavery within the business and labour recruitment sectors. Richard Beale, Marshalls Global Supply Chain Director, said, "A proactive preventative approach is the best way to inspire confidence in our customers and workforce and minimise risk to our brand. Together with Hope for Justice we will develop a supplier education programme focusing on modern slavery. We're also planning to pilot this with our temporary labour provider here in the UK and the early signs of the benefit of this are very positive. This is part of a wider programme of activity that will unfold in 2017 from a procurement perspective which will send a clear message to all of our suppliers and partners about what we value, how we work and what is and isn't acceptable to us. Both myself and my procurement team are working closely with our Business & Human Rights Lead who's responsible for the implementation of the Modern Slavery Act throughout the business and supply chains. I'm delighted that in Hope for Justice we have found such a forging, responsive and hands-on partner."

With backgrounds in criminal investigation and public protection, Hope for Justice's award-winning expert teams operate out of highly successful Regional Investigative Hubs to provide proactive services to businesses partners. HFJ experienced team are also geared-up to respond where potential victims are identified within business operations or supply chain.

Mitchel-Hill concluded, "By acting sensitively and discreetly, Hope for Justice will safely assess an individual's situation and, if they are identified as trafficked, place them into the Government's National Referral Mechanism aftercare accommodation and support them through a remediation process. Marshalls will be guided by Hope for Justice to ensure that our business' response to any individuals identified is both supportive, appropriate and in their best interests."

(1) Hope for Justice - <http://hopeforjustice.org/aboutus/>  
 (2) Marshalls was highlighted as 'best performer' by Innovation Forum for its first Statement - <http://innovation-forum.co.uk/analysis.php?s=are-modern-slavery-statements-lagging-performance>

# Human Rights



“There is a cast iron business case for our business & human rights programme. Whilst it clearly takes into account risk mitigation and legislative compliance, it is much more to do with further driving and embedding sustainability specifically regarding human rights, working effectively and creatively within the UN system, selectively extending our area of influence and ultimately creating competitive advantage for our business.”

Martyn Coffey, CEO Marshalls.

## Marshalls’ Human Rights Policy

Our Human Rights Programme of activity is framed by the International Bill of Rights, consisting of the Universal Declaration of Human Rights; International Covenants on Civil & Political rights, and on economic, social and cultural rights. It is informed by and draws upon existing methodologies and frameworks including; The Danish Institute of Human Rights - Human Rights Compliance Assessment; Nogogaia, IFE, UNGC, IBLF ‘Guide to Human Rights’ and also Children’s Rights & Business Principles, and Women’s Empowerment Principles.

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, 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.

December 2016

## Marshalls’ Children’s Rights Policy

Marshalls supports children’s rights consistent with the UN Convention on the Rights of the Child (CRC). The CRC sets out the basic human rights that children everywhere: have the right to survival; to develop to the fullest; to protection from harmful influences, abuse and exploitation; and to participate fully in family, cultural and social life.

Marshalls acknowledges its corporate responsibility to respect and support children’s rights and actively seeks to implement the Children’s Rights & Business Principles (CRBP) thereby supporting children’s rights in the workplace, marketplace and community.

As a signatory of the UNGC, Marshalls seeks to uphold the ten guiding UNGC principles which act in support of children’s rights. In conducting its business activities across the globe Marshalls respects children’s rights and seeks to uphold, preserve and promote them wherever possible.

Marshalls has a Children’s Rights Ambassador on the board who is responsible for ensuring that the company’s Children’s Rights Policy is implemented across the business.

Marshalls’ Human Resources Department provides detailed information and guidance through the Company’s induction process regarding the avoidance of violence, abuse and exploitation of children. Annual training workshops on children’s rights and the implementation of CRBP also take place. Additional training and guidance is given to those employees who have greater involvement with or exposure to potential children’s rights issues, e.g. procurement personnel, those travelling overseas, etc.

Guidance material for all employees about avoiding violence, abuse and exploitation of children, plus specific guidance regarding children working for company employees, is available on the Company intranet.

The CRC states that children have the right to a voice in matters that concern them and to have their opinions given due weight, based on their capacity and level of maturity. To ensure that any consultations with children follow ethical standards and are effective and meaningful for children, and useful for the organisation. Marshalls engages with in-country NGOs and/or community-based organisations to organise safe and respectful consultation with children. The Company also consults with other experts on children such as UNICEF, human rights organisations, national authorities and independent experts.

Marshalls has an established protocol regarding the use of

children’s images which demands that consent is given by a child parent/guardian.

As a member of the Ethical Trading Initiative (ETI), Marshalls commits to the ETI Base Code which states that interpretation of the child labour clause of the Code should be done bearing in mind International Labour Organisation conventions. In addition, the ETI Code states that where national law and the code differ, the correct procedure is to adhere to the standard that offers workers the highest level of protection. Marshalls therefore follows the ETI Code, and ILO standard, and will not permit children under 18 to work in its supply chain.

In addition, the Company provides information regarding issues of child labour and human rights guidance for all of its stakeholders, including its suppliers, which is available in the publications section at [www.marshalls.co.uk/sustainability](http://www.marshalls.co.uk/sustainability).

The Company has a programme of engagement with its suppliers regarding the implementation of UNGC principles and the CRBP. All suppliers have received a copy of this Children’s Rights Policy and the Children’s Rights & Business Principles.

Where children’s 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 children’s rights working within its sphere of influence. Marshalls actively seeks to collaborate with appropriate organisations to promote children’s rights in a manner which is consistent with the role of business.

December 2016

# Human Rights

## Modern Slavery Disclosure Statement Implementation

The implementation of our modern slavery disclosure statement commitments has been a key focus area throughout 2016.

Deliver an internal awareness campaign throughout UK operations to all employees regarding modern slavery.

During 2016 we undertook an awareness campaign throughout UK business operations to help ensure that all employees are aware of the signs of modern slavery and how to report it. The campaign involved posters focusing upon how to spot the signs, forced labour and sexual exploitation, Modern Slavery: Spot the Signs screen savers, click-through-links from all company mobiles to the Home Office Modern Slavery website which gives clear indications on how to report an instance of modern slavery. In addition we also produced an e-learning module which focused upon Business & Human Rights as well as utilising the Home Office online learning resource on modern slavery. Both of these courses have been made available to all employees and must be undertaken by those individuals whose roles are more likely to require them to be well versed in spotting the signs, such as human resources and procurement for example. We will continue to raise awareness throughout 2017 and provide information which will empower employees to play their part in preventing modern slavery. This will include ongoing e-learning, departmental training by our anti-slavery partner, the development of specific modern slavery induction information for new starter and an increasing number of tactical Modern Slavery Ambassadors throughout the business.

Modern Slavery training for all employees involved directly in supply chains and procurement.

Our anti-slavery partner, Hope for Justice, has developed and delivered a specific training programme for employees directly involved in supply chain management and procurement. This training will be repeated annually, and is in addition to the other e-learning modules available to all employees.

“A proactive preventative approach is the best way to inspire confidence in our customers and workforce and minimise risk to our brand.” Richard Beale, Global Supply Chain Director.

Supplier communication and verification programme which confirms that suppliers have received and understood Marshalls' position regarding modern slavery and area aware of Marshalls Modern Slavery Policy & Disclosure Statement.

During 2016 the procurement department and our business and human rights lead have worked closely, together with a leading provider of online compliance training and risk management software, to develop a programme of online compliance training for suppliers on Marshalls Supplier Code of Conduct, Modern Slavery and Anti-Bribery and Corruption. This will be rolled out during the first quarter of 2017.

Report on its effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains including the due diligence processes outlined in Marshalls Modern Slavery Policy & Disclosure Statement.

Marshalls looks forward to reporting back, in its next Modern Slavery Disclosure Statement to be published in May 2017, on the measures we've taken, and their effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains.

# Human Rights

## Modern Slavery Disclosure Statement Implementation



Further develop the organisations supply chain due diligence, related human rights programme and external auditing process in order that instances of modern slavery can be identified, remedial action undertaken, the victims supported and that all of this is transparently reported.



**Hope for Justice**  
Our due diligence, related human rights programme and external auditing processes have either undergone further development or are work-in-progress with the assistance and guidance of our anti-slavery partner, Hope for Justice. We see this due diligence process as an evolving area which is constantly under review/improvement as a result of our ongoing efforts and increasing knowledge in this area.

We have a clear internal process for dealing with information and intelligence resulting from our enhanced due diligence, which has been developed following GLLA training and guidance.

We also have a clear internal process should an instance of modern slavery occur in UK business operations. This includes any necessary/ appropriate remedial action, victims support and remediation and processes to ensure transparent reporting. Again, this will all be available in our next Modern Slavery Disclosure Statement in May 2017.

**Enhanced Ethical Auditing & Modern Slavery Risk Mapping**  
As a result of collaborative working the independent Ethical Auditing process now takes place alongside modern slavery risk mapping. The focus for this activity to date has been Vietnam and India. This will be undertaken for all supply chains moving forward.

**Modern Slavery Ambassadors**  
As part of our preventative work to educate regarding the issues of modern slavery and equip all employees with the knowledge of how to spot the signs of modern slavery and also how to report safely, Marshalls appointed its first two Modern Slavery Ambassadors in 2016. The first of these was Karen Preiss, Category Manager and a key member of the procurement team, the second, Dave Jessop, Operations Manager for The Marshalls Register.

Category Manager, Karen Preiss, added, “Recent training delivered by Hope for Justice to the entire group procurement function had a big impact. It’s ensured that we’re all on the same page in terms of understanding the organized crime which drives human trafficking and makes all organisation and supply chains susceptible. It has enabled us to identify areas of risk and also, importantly, to understand the impact on the individuals who are vulnerable and exploited.”

Dave Jessop, Operations Manager responsible for Marshalls registered installers who install driveways and patios for domestic customers, recently spoke with over 230 installers at a series of 14 roadshows in January throughout the UK. He says, “Highlighting the reasons that individuals get trafficked, the vulnerability which exists, the coercion which takes place and the organized crime which drives it was an eye opener for many. They are now aware of the signs of modern slavery, how to report it safely and know that I’m there to assist should they have any questions or queries at all. Through the training that I’ve had with our anti-slavery partner, Hope for Justice, I totally understand that modern slavery is much closer than you think. It’s often in plain sight.”



Develop, in conjunction with appropriate partners, a process of remediation and support for victims of modern slavery identified within the organisations operations and supply chains.

Working with our anti-slavery partner, Hope for Justice, has ensured that we have a process of remediation in place for victims of modern slavery in the UK, Vietnam and India. We will look to extend this to all of our supply chains as we undertake the enhanced ethical auditing and modern slavery risk mapping.

We are also working with Hope for Justice and our Human Resources Department to develop an enhanced remediation offer from a business perspective which would potentially allow us, where appropriate, to offer ongoing employment to victims of modern slavery identified within our UK operations. This would also include an internal ‘buddy system’ which ensured that victims have the internal support required together with practical support such as language skills training for example.



## IPEC

Marshalls remains committed to the ILO’s International Program on the Elimination of Child Labour (IPEC) Child Labour Platform to further our work regarding the elimination of child labour in the sandstone sector in Rajasthan, India, and as a result of our commitments to Children’s Rights & Business Principles .

IPEC, created in 1992 with the overall goal of the progressive elimination of child labour, is the largest program of its kind globally and the biggest single operational program of the ILO. IPEC’s work to eliminate child labour is an important facet of the ILO’s Decent Work Agenda. Child labour not only prevents children from acquiring the skills and education they need for a better future, it also perpetuates poverty and affects national economies through losses in competitiveness, productivity and potential income. Withdrawing children from child labour, providing them with education and assisting their families with training and employment opportunities contribute directly to creating decent work for adults.

# Human Rights

## Children's Rights & Business Principles

During 2017 we will undertake our third Children's Rights and Business Principles. This will allow us to refresh our top 10 CRBP priorities and to plan our work in this area accordingly.



## Women's Empowerment Principles

Marshalls has already begun the process of mapping its operations against the Women's Empowerment Principles framework, a collaboration between UNGC and UN Women. This work will continue during the first half of 2017. We will also engage formally with UN Women UK Corporate Advisory Group with a view to becoming a WEPS signatory later in 2017.



"I will work tirelessly to make the UK a more hostile environment for traffickers and slave masters to operate in and to develop strategies to address demand that contributes to modern slavery. Ensuring that the new powers in the 2015 Modern Slavery Act are fully utilised, such as the use of enhanced tools to target criminal finances, and trafficking prevention and risk orders, will be of paramount importance. I am also focused on improving efforts to prevent these crimes from ever occurring in the first place, in the UK and in other countries of origin.

**Kevin Hyland, Independent Anti Slavery Commissioner**

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/468729/IASC\\_StrategicPlan\\_2015.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/468729/IASC_StrategicPlan_2015.pdf)

# Human Rights: Targets



## ACHIEVEMENTS 2016

Continue to work to uphold the ETI base code throughout our operations to help ensure that no child labour is used within the supply chain.

Further improve and develop the reporting process for social auditors and any associated corrective action plans.

Further develop our human rights monitoring and evaluation programme.

Further development of the human rights programme; completion of the Human Rights Assessment Check and development and integration of the human rights impact assessment process and information.

Further work on the process of embedding human rights within the organisation; working closely with human resources and procurement teams; and delivering the appropriate internal training regarding human rights & business, especially in relation to modern slavery.

Continue to implement our CRBP top 10 priorities.

Finalise our WEPs audit and implement recommendations.

Deliver our first Modern Slavery Act Disclosure Statement and work with 'critical friends' to develop and work on the associated KPI's.

## TARGETS 2017

Continue to work to uphold the ETI base code throughout our operations.

Further improve and develop the reporting process for social auditors and any associated corrective action plans.

Further develop our human rights monitoring and evaluation programme in conjunction with our anti-slavery partner, Hope for Justice.

Further development of the human rights programme.

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.

Continue to implement our CRBP top 10 priorities.

Finalise our WEPs audit and implement recommendations.

Deliver our second Modern Slavery Act Disclosure Statement and work with 'critical friends' to develop and work on the associated KPI's.

# Labour



Marshall’s approach to labour rights continues to be driven by the Ethical Trading Initiative Base Code, the UNGC Labour principles and the organisations’ commitment to sustainable business.

## THE ETI BASE CODE STATES THAT:

### 1/ EMPLOYMENT IS FREELY CHOSEN

- 1.1 There is no forced, bonded or involuntary prison labour.
- 1.2 Workers are not required to lodge “deposits” or their identity papers with their employer and are free to leave their employer after reasonable notice.

### 2/ FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING ARE RESPECTED.

- 2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.
- 2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.
- 2.3 Workers’ representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- 2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

### 3/ WORKING CONDITIONS ARE SAFE AND HYGIENIC.

- 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
- 3.2 Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.
- 3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.
- 3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.
- 3.5 The company observing the code shall assign responsibility for health and safety to a senior management representative.

### 4/ CHILD LABOUR SHALL NOT BE USED

- 4.1 There shall be no new recruitment of child labour.
- 4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child; “child” and “child labour” being defined in the appendices.
- 4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.
- 4.4 These policies and procedures shall conform to the provisions of the relevant ILO standards.



### 7/ NO DISCRIMINATION IS PRACTICED

- 7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

### 5/ LIVING WAGES ARE PAID

- 5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.
- 5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
- 5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.



### 8/ REGULAR EMPLOYMENT IS PROVIDED

- 8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.
- 8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, subcontracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

### 6/ WORKING HOURS ARE NOT EXCESSIVE

- 6.1 Working hours comply with national laws and benchmark industry standards, whichever affords greater protection.
- 6.2 In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every 7 day period on average. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate.



### 9/ NO HARSH OR INHUMANE TREATMENT IS ALLOWED

- 9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.
- The provisions of this code constitute minimum and not maximum standards, and this code should not be used to prevent companies from exceeding these standards. Companies applying this code are expected to comply with national and other applicable law and, where the provisions of law and this Base Code address the same subject, to apply that provision which affords the greater protection.

# Labour

## Implementing the ETI Base Code

Implementing the ETI Base Code across all of our global supply chain operations is managed and overseen by our Head of Sustainability, David Morrell and Natural Stone Director, Rory Kendrick. Working closely with our in-country social auditors, our independent auditors, Business & Human Rights Lead, Elaine Mitchel-Hill and our Head of Procurement, Richard Beal, the organisation works hard to ensure that customer demands do not impact negatively upon workers.

ETI BASE CODE

The ETI Base Code covers the major areas of human rights risk for workers in global supply chains:

Employment is freely chosen\*

Freedom of association and the right to collective bargaining are respected\*

Working conditions are safe and hygienic

Child labour shall not be used\*

Living wages are paid

Working hours are not excessive\*

No discrimination is practised\*

Regular employment is provided

No harsh or inhumane treatment is allowed

\*Internationally agreed core human rights. All UN member states, whether or not they have ratified the relevant ILO conventions, are obliged to meet these labour standards.

© See also Annex 3: Sector-specific risks.

“All supply chains presents their own unique challenges wherever they are in the world. Through a comprehensive research and risk based approach, including due diligence with distinct labour rights and human rights parameters, we assess our trading partners, not only at the beginning of any relationship but on an ongoing basis. We are ideally seeking long term relationships and often work with our suppliers utilising our knowledge and resources to help ensure that workers’ rights are not only observed but actively promoted.”

David Morrell, Head of Sustainability & IP

57 / United Nations Global Compact Communication on Progress

# 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 ETI's 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

ETI’s experience has demonstrated that this is the most effective form of due diligence and the most likely way to bring about lasting change.

WORKERS AT GREATEST RISK OF HUMAN RIGHTS ABUSES

Human rights due diligence must include a focus on the most vulnerable workers, these include:

CHILDREN



WOMEN



MIGRANT WORKERS  
INTERNAL AND  
CROSS BORDER



SEASONAL WORKERS  
SUCH AS  
AGRICULTURAL  
WORKERS



CONTRACT  
AND  
AGENCY  
WORKERS



MARGINALISED GROUPS  
SUBJECT TO  
DISCRIMINATORY LAWS  
AND TREATMENT



DOMESTIC  
WORKERS



ETI HUMAN RIGHTS DUE DILIGENCE FRAMEWORK

Key steps that companies should take to prevent, manage and mitigate human rights abuses in their own operations and supply chains.

01. Assess actual and potential human rights risks

- Review country risks
- Map supply chains and services and prioritise
- Identify risks to workers by sector, nature of work, type of worker, employment relationships and labour market dynamics
- Identify direct and indirect causes and impacts

02. Identify leverage, responsibility and actions

- Assess scale and scope of corporate responsibility, including direct and indirect labour rights impacts
- Assess leverage with suppliers, agents and contractors
- Review sourcing strategies and purchasing practices
- Establish benchmarks and rules for monitoring improvements or termination with suppliers

03. Mitigate risk and remediate workers

- Take immediate steps to mitigate human rights abuses
- Provide remediation for workers (avoiding further harm)
- Identify and act on changes to working practices
- Enable workers to access their right to freedom of association and collective bargaining

04. Monitor, review, report and improve

- Track mitigation and remediation actions
- Review decision-making, responsibility and accountability - (especially at senior levels)
- Review information sources and systems - ensure evidence is credible, verifiable and relevant

Review HR systems, contracting and recruitment

• Assess workers' ability to access rights to freedom of association and collective bargaining

• Rank risks by severity and degree of responsibility

• Analyse the data, identify next actions and process

Analyse evidence, learn lessons, prioritise next actions and long-term prevention

• Communicate internally and with business partners on human rights due diligence

• Report publicly on steps taken to respect human rights and prevent modern slavery

• Build partnerships and collaborative action

Review supplier capacity to manage labour risks

• Review policies and procedures to enable workers to access their right to organise and bargain collectively

• Identify opportunities for collaborative action

• Review corporate decision-making and accountability, policies and systems to manage risks

Provide training and capacity building on worker-management communication and negotiation

Engage / collaborate with others (eg other companies, trades unions, government agencies, NGOs, experts, multi-stakeholder initiatives)

Establish / revise grievance and remediation systems

# 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 there.

## 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.

Offers a Service Provider Recognition Scheme for third party contractors who pay their own staff the Living Wage and always offer a Living Wage option when submitting tenders.

## 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 Foundations coordinates Living Wage Week each November, a UK wide celebration of the Living Wage.

# 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 £7.85 an hour
- The current London Living Wage is £9.15 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
- Paying the Living Wage is good for business, good for the individual and good for society
- The Living Wage Employer Mark and Service Provider Recognition Scheme provide an ethical badge for responsible pay

# 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 be an ethical employer.

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

### > Good for Families

The Living Wage affords people the opportunity to provide for themselves and their families.

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; enabled them to require fewer concessions to effect change; and made them more likely to adopt changes more quickly.

### > 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.

"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."

# Labour: Targets



## ACHIEVEMENTS 2016

Maintain accreditation to IMS.
Maintain information gathering regarding labour laws throughout our supply chain.
Work to further improve the social auditor reporting process; and any associated correct action plan processes and procedures.
Implement the recommendations resulting from the UNICEF research.
Work with procurement team to review and revise supplier code of conduct as appropriate to reflect the Modern Slavery Act.
Work with 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.

## TARGETS 2017

Maintain accreditation to IMS.
Maintain accreditation to BRE ELS 6002.
Maintain information gathering regarding labour laws throughout our supply chain.
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.
Continue to implement the recommendations resulting from the UNICEF research.
Work with procurement team to communicate Marshalls Supplier Code of Conduct.
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.

# Environment



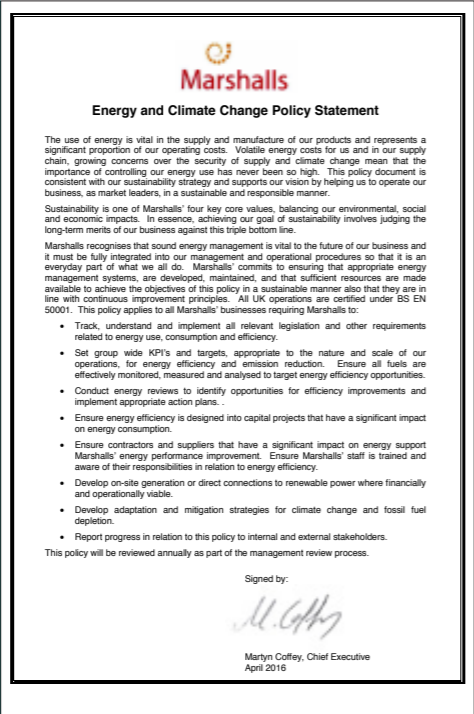
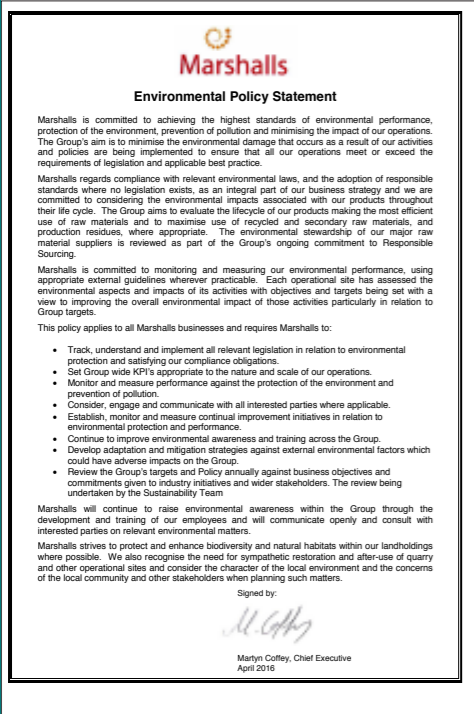
Due to Marshalls’ status the environmental key performance indicators will be published alongside the annual report in April. This will be available online in due course.

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.

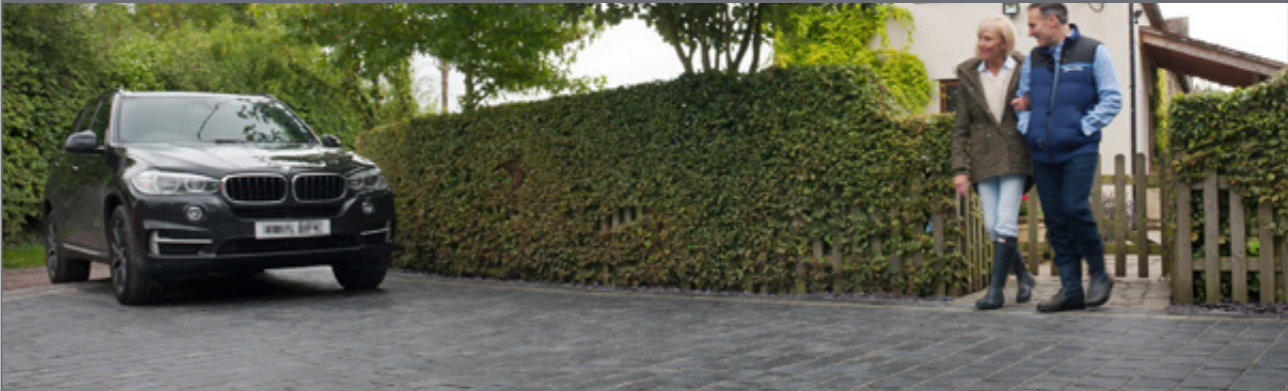
Marshalls’ Environment & Climate Change Policy documents the related key performance indicators.



# 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. Where no legislation exists, best practice will remain an integral part of Marshalls’ business strategy.
- 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.



# Environmental Management

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 be maintained to 2020.

Marshalls reviewed its Group target in 2013 and revised this to 95 per cent. During the year 42 (2014: 43) sites. The target was achieved in the year and the Group aims to maintain compliance to this target to 2020, however it recognises that any business churn may in the short term adversely affect its ability to do so.

During 2015 the Group had 47 operational\* sites (2014: 49). Of these sites:

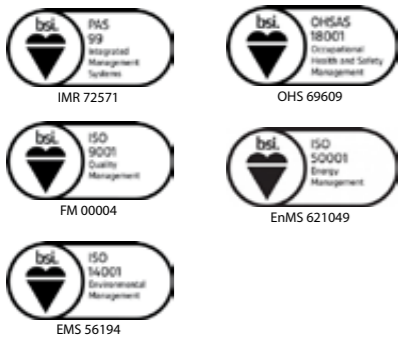
- 46 (2014: 47) had BS EN ISO 9001:2008 Quality Management Systems in place representing 99 per cent of the Group’s manufacturing output.
- 44 (2014: 45) had BS EN ISO 14001:2004 for environmental Management Systems in place representing 99 per cent of the Group’s manufacturing output.
- 44 (2014: 46) had BS OHSAS 18001:2007 for Health and Safety Management Systems in place representing 99 per cent of the Group’s manufacturing output.

In addition to these, the Group also had PAS 99-compliant management systems in place at its Group Laboratory, Marketing Support Department, Landscape House and a distribution site in the Midlands.

“ In 2015 Marshalls engaged Cedrec Information Systems to provide specialist legal services to support their assessment of legal requirements. Cedrec undertook compliance assessments at a selection of Marshalls’ sites on an annual basis, reviewing legal compliance, scale of environmental aspects and measures taken by Marshalls to minimise and reduce their impacts. Marshalls’ sites are well controlled, comply with necessary permit requirements and have a well-established programme of risk management including energy management (to ISO 50001), carbon footprinting, water and waste to landfill reduction. For the range of activities undertaken at their sites, Marshalls’ robust environmental management and engagement with legal compliance is delivering a low risk outcome in terms of environmental and pollution impacts.”

Richard Clarke, Senior Environment Health and Safety Consultant, Cedrec Information Systems

\* Operational is defined as a site in the UK with production output during the reporting year.



# Environmental Impact

The business is currently redefined its Sustainability Policies and Key Performance Indicators (“KPI”) to align to its 2020 business strategy and to ensure they are relevant and appropriate to its stakeholders.

Marshalls is a signatory to the Sustainable Concrete Forum, a collaborative industry initiative, which published a new road map, with time-bound targets to 2020 aimed at reducing the environmental impacts of the industry. The latest performance report is the 8th Report on Progress which will be published in March 2016 and which can be found on the Marshalls website.

As a member of the Mineral Products Association British Precast Marshalls voluntarily participated in a Resource Efficiency Action Plan with other industries to identify and create an actionable strategy for improving resource efficiency within the supply chain.

The plan identifies the key challenges and actions that the sector and its associated supply chain need to address in order to make improvements in waste, water, carbon (energy usage and emissions), materials (primary raw materials and secondary/recycled materials) and biodiversity.

Marshalls does not operate processes that require the legislative monitoring of emissions to air of NOx and SOx and only one site that is permitted for VOCs in relation to the spray painting of street furniture items.



# Carbon

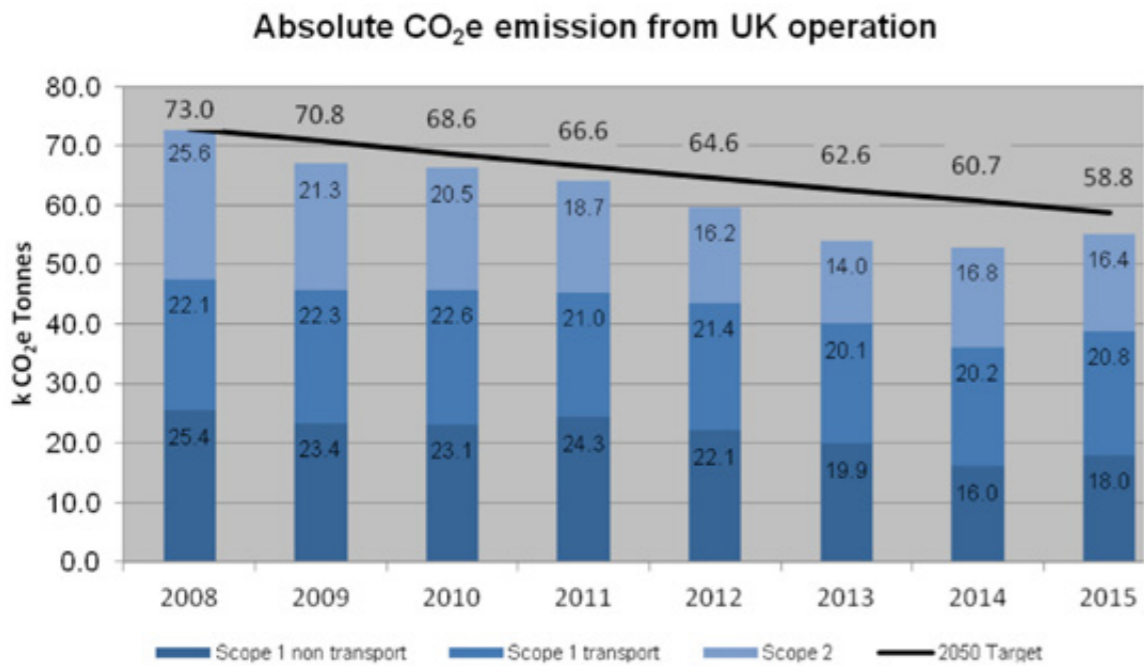
Target – to reduce our absolute CO2e consumption in line with UK Government targets (34 per cent by 2020 and 80 per cent by 2050 from a 1990 baseline).

Marshall's 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.



The chart below illustrates the Group's absolute CO2e emissions in tonnes, including transport activities, between 2008 and 2015.



# Water

Target – reduce use of water from mains and licensed boreholes to 0.05m<sup>3</sup> per tonne of production by 2015.

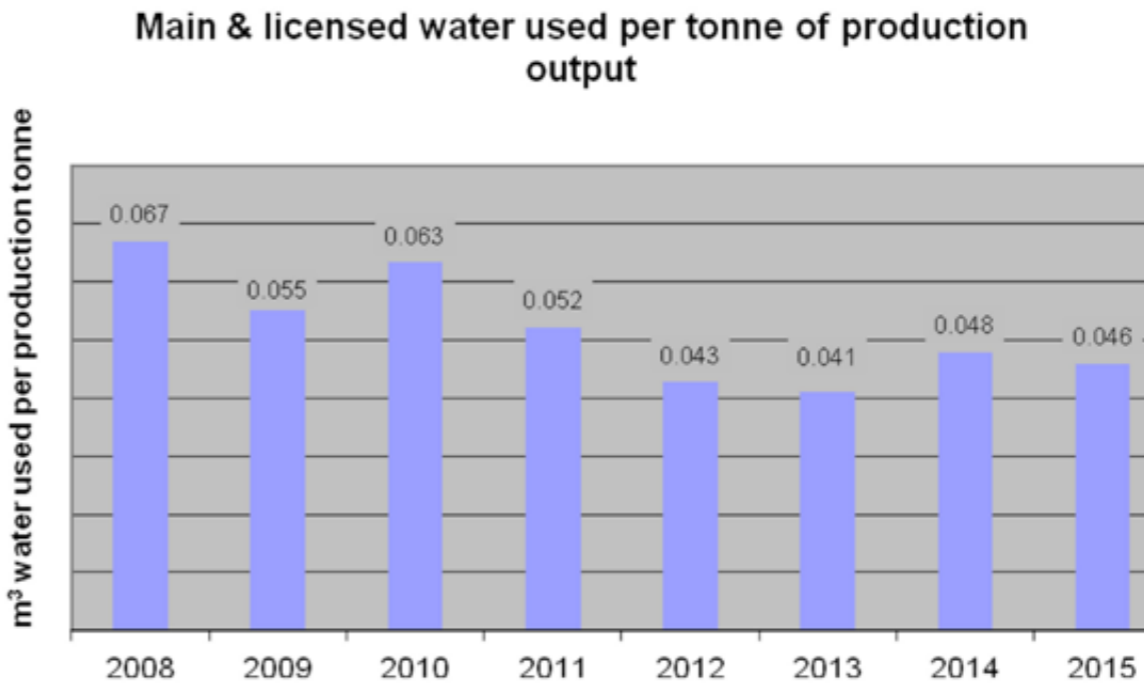
Marshall's understands the future value of water and is a signatory to the United Nations Global Compact CEO Water Mandate. The business has demonstrated a commitment to water harvesting and recycling on numerous sites and utilises quarry water where appropriate in its operations.

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 ~ Anglian 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.

Marshall's 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 2015



# 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 by eight per cent by 2015 (compared to 2010 levels). 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 a 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 2016

To reduce emissions of CO2 in line with Government targets; 80% by 2050 and 34% by 2020.

Carbon foot-printing of 3288 products.

Uphold the BITC May Day Network pledges.

Marshalls Energy Savings Week.

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.

## TARGETS 2017

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 be maintained to 2020.

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).

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).

Throughout 2011 there was great focus by the UNGC UK Network on Anti-Corruption with a number of events and speakers attending education events open to UK Network members. Marshalls took advantage of these opportunities with a range of individuals from within the organisation attending and reporting back.

The UNGC 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](http://www.marshalls.co.uk/sustainability)**



# Anti Bribery Code

- 1. In this Code, “Marshalls” means Marshalls plc and its subsidiary companies.
- 2. Marshalls is committed to conducting its business with the utmost integrity and in accordance with the principles set out in the UK Bribery Act 2010.

Marshalls plc is a signatory of the UN Global Compact, which informs and governs the way in which we do business. Marshalls expects its employees and business partners to respect and support our core values of trust, honesty and integrity and to recognise and implement this Code.

- 3. Marshalls does not tolerate the offering, giving, requesting, receiving or acceptance of bribes in any form.

A bribe is a financial payment or other form of reward that is intended to induce or influence an individual, company or public body to perform their functions improperly. This may include showing partiality, acting in bad faith or acting in a way that is inconsistent with a position of trust.

Bribes, for the purpose of this Policy, include facilitation payments, kickbacks and any other reward, favour or payment designed to induce or influence the recipient to perform his or her functions improperly.

In the case of a foreign public official, it is not permitted to offer a payment or other reward to a foreign public official that may influence that official to give an advantage to our business, whether or not intended to induce improper performance.

Hospitality designed to improve business relations which is proportionate to the circumstances and which is not for an improper purpose is not usually regarded as a bribe. Further guidance can be found in the Procurement Policy Statement and the Hospitality Guidelines.

No employee, agent, consultant or business intermediary acting for Marshalls may offer, give, request, receive or accept any bribes, whether directly or indirectly.

**What does this mean for me?**

- Any alleged or suspected incident of bribery will result in a formal investigation, and may result in disciplinary action for any employee involved. Any activity or behaviour by an

employee that is unlawful or prohibited by this Code will constitute gross misconduct and may result in dismissal. Employees may be suspended while investigations are carried out.

- Employees who engage or do business with third parties who act on behalf of Marshalls or represent Marshalls should ensure that this Code is drawn to their attention. Marshalls expects such third parties to comply with this Code and with the applicable law relating to bribery.
- Marshalls reserves the right to terminate immediately any contract or business relationship with any agent, consultant, or other business intermediary where bribery has occurred.

**4. Our Policies and Procedures**

Marshalls has adopted policies and procedures intended to address the potential risk of bribery and corruption. These include:-

- The Group Procurement Policy Statement;
- The Code of Ethics;
- Guidance on hospitality and gifts, and the maintenance of a hospitality and gifts register;
- The Serious Concerns Policy.

These are regularly reviewed and updated, and should be read together with this Code. This Code and these policies can be accessed via the Marshalls intranet. The hospitality and gifts register is maintained at Birkby Grange (contact Gillian Harley/Jill Bedford).

Among our procedures to mitigate risk are the following:-

- Supplier and customer risk assessments;
- Training for employees and those working for Marshalls or representing Marshalls in a business capacity ;
- Written commitments from those we work with to engage with the principles in this Code.

- 5. Marshalls will work with its business partners worldwide to develop and improve good practice and to seek to eliminate bribery and corruption. It will select business partners who have adopted similar policies and objectives and will avoid doing business with those who act unlawfully or in a way that is not consistent with ethical business principles.

**6. Monitoring and Compliance**

- The Board of Marshalls plc has approved this Anti-Bribery Code and will set standards in relation to its principles and their application across the Marshalls Group.
- The Audit Committee of the Board will review procedures across the Group and will monitor their effectiveness.
- Designated individuals within each business area, together with the Company Secretary (who oversees day to day compliance) have responsibility for the implementation and development of such procedures.
- All employees have an obligation to comply with this Code and support and promote its principles in their business function.

- 7. Any employee having a question or concern in relation to this Code, the administration of Marshalls policies and procedures designed to prevent bribery, or any issue where guidance is sought on a particular set of circumstances may raise it with their line manager or the Company Secretary (Cathy Baxandall, Birkby Grange, Birkby Hall Road, Huddersfield HD2 2YA: Tel: 01484 438930: email cathy.baxandall@marshalls.co.uk)

- 8. Any employee who suspects that bribery has occurred or that there has been any other breach of this Code should report it in accordance with the procedure in the Serious Concerns Policy so that it can be formally investigated.

Adopted by the Board on 5 October 2011.  
Graham Holden  
Chief Executive Chairman

# Anti-Corruption: Targets



ACHIEVEMENTS 2016

- Develop procurement for sustainability strategy which has anti-corruption measures woven throughout.
- Develop and publish sustainable procurement guidance.
- Ensure that this guidance is circulated to all suppliers.
- Ensure that this guidance is made publicly available for all stakeholders.
- Undertake a series of face-to-face briefing and workshops with key suppliers.
- Communicate Marshalls Anti-Bribery policy internally and externally.
- Review and develop anti-bribery processes and procedures.

TARGETS 2017

- 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 internally.
- Continue to review and develop anti-bribery processes and procedures.

# Business in the Community



Business in the Community is the Prince of Wales’ Responsible Business Network. Marshalls remains a members and works in support of tackling a wide range of issues that are essential to building a fairer society and a more sustainable future.



## Working together to take action

BITC offers a range of practical ways for businesses to work together and take action to help tackle some of the key issues facing society.



Environment  
Using our natural resources more sustainably.



Employees  
Ensuring that age, gender, health and race do not limit an employee’s engagement and success in the workplace.



Education  
Ensuring that age, gender, health and race do not limit an employee’s engagement and success in the workplace.



Employment  
Helping people overcome disadvantage by creating access to sustainable, good employment.



Enterprise  
Creating jobs and vibrant communities by supporting small, local businesses.

# 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. (1)

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.”



# UK Best Companies Survey

“In late 2016, and for the third time, our employees took part in the annual UK Best Companies Survey, an initiative which helps organisations measure, recognise and improve employee engagement levels. Through the widespread promotion of the survey with our workforce, and initiatives to help our non-computer based employees to take part, we are very proud to have achieved an 85% completion rate, far higher percentage than the national average which is currently 62%. Key areas which were highlighted show that the vast majority of the workforce is proud of the Marshalls brand, products, and what the business is working towards, and arguably most importantly, most people believe they are able to make a positive contribution to the success of the organisation.

“It’s really important for us as a business to ask our workforce for feedback, and most importantly, to act upon that feedback. The Best Companies Survey gives us a real idea of how engaged our workforce feels and highlights areas where we need to improve giving us a clear strategic steer.”

Susie Fehr, Group HR Director.



Susie Fehr  
Group HR Director.



Marshalls continues to focus closely on the established values of leadership, excellence, trust and sustainability and to build these into all of its activities involving employees. We remain firmly focused on encouraging all staff, no matter where they are based, to collaborate in all aspects, whether on work issues or as part of the Group’s “Giving Back” programme, which continues to be a growing activity. The Group has raised a substantial amount for good causes during 2016. In 2016 our focus was to support Prostate Cancer UK.

For the third year Marshalls is proud to be a “Living Wage Employer”, underscoring its commitment to employees. We welcome and

give full and fair consideration to applications from individuals with recognised disabilities to ensure they have equal opportunity for employment and development in our business. Wherever practicable we offer training and make adjustments to ensure disabled employees are not disadvantaged in the workplace. We also remain committed to employing a diverse workforce and, in particular, encouraging more women to enter what has traditionally been a highly male-dominated workplace.

At the end of 2015 our workforce comprised 2,250 employees with the following gender balance:

	Male	Female
Total workforce	88%	12%
Senior managers	86%	14%
Directors	83%	17%

## Walk Your Way to Health

Walk Your Way to health was April’s wellbeing initiative, and we encouraged all employees to walk as much as possible. Walking is an underrated form of exercise, but ideal for people of all ages and differing fitness levels who want to be more active. Regular walking has been shown to reduce the risk of chronic illnesses, such as heart disease, type 2 diabetes, asthma, stroke, and some cancers. Throughout April all sites to arranged lunchtime walks as a team event.



### Focusing on Mental Health Awareness Week.

The focus of Mental Health Awareness Week in 2016 was relationships, and how healthy and supportive relationships reduce the risk of mental ill-health. Therefore, we wanted to celebrate the connections, relationships, and people in our lives that add to our wellbeing and protect and sustain our mental health.



## Long Service Award

Marshalls has once again celebrated the commitment and hard work of employees who have been with the company for 25 years, at a presentation which took place at Oulton Hall, Leeds on 12th May.

The 14 employees have accumulated 350 years of service between them and were presented with a gold watch and certificate by Chief Executive Martyn Coffey.

Ian Goodbold, Project Consultant at Marshalls, said: "I'm incredibly proud to have been at Marshalls for 25 years and it was a real honour to receive my long service award today. "It's incredible to think that I've been with the company for 25 years as they've flown by, I've seen some huge changes over that period but what has always remained the same is that Marshalls is a fantastic company to work for and they have really looked after me. I've made many lifelong friends along the way both at Marshalls and with my customers."

Martyn Coffey said: "The Long Service Awards is always a fantastic event as it gives me the opportunity to personally thank those who have contributed so much to Marshalls' success over the last 25 years. "We truly feel that our people are our biggest asset and it's important to celebrate their loyalty, dedication and hard work. A massive thank you to everyone who attended today's event."



## Training & Development

### Early Careers - Marshalls Graduate Scheme

Last month saw the launch of the new Marshalls Graduate Scheme which is due to commence this summer.

The scheme will look to recruit 4 graduates at each intake, each of whom will rotate around the four main areas of our business (Sales, Operations, Marketing and Corporate Support). The scheme will last 2½ years, at the end of which it is anticipated that the graduates will commence a permanent role in each of the business areas mentioned above. We are now starting to work in partnership with two main universities; the University of Leeds and Manchester Metropolitan University, as well as developing closer links with other local universities in Huddersfield, Bradford and Sheffield.

This is an exciting initiative for Marshalls and an important part of our Talent and People Development Strategy. Our focus on Early Careers is critical to ensuring we have a sustainable talent pipeline for the future. We are very fortunate at Marshalls that we have a highly knowledgeable, highly skilled, and well retained team; it's not uncommon to find colleagues who have been with us for over 25 years.

As Marshalls continues to grow and evolve, it's vitally important that when colleagues decide to end their career

with us we have the right people in place to whom we can pass on that expertise, as well as developing the new skills and competencies we will inevitably require in the future if we are to retain our role as market leaders within our sector.

Early Careers isn't just about Graduates. We are now starting to think coherently about how we develop Apprenticeships. We are currently identifying ways in which we can work in a closer, more targeted way with local schools, colleges and universities: In fact later this year Marshalls will be involved in the very successful Placement and Work Shadowing Scheme run by Greenhead College. Our Brookfoot team recently took part in the Careers Convention at Kings James Primary School not only as a way of attracting Apprentices, but also to start to generate awareness of Marshalls as an Employer of Choice for those starting their Early Career.

If you would like more information, or if you know of someone who may be interested in the Graduate Scheme, please encourage them to register their interest by sending an email to [graduates@marshalls.co.uk](mailto:graduates@marshalls.co.uk).



Emma Ross and Phil Daniels at the MMU graduate event

# Training & Development

## Marshalls Launch NEW Educational Partnership

Marshalls has launched an educational partnership initiative in order to attract students to the landscaping industry.

The scheme will see Marshalls supporting landscaping colleges in the delivery of landscaping courses by providing materials, delivering skills workshops, and linking students with Marshalls Register members in order to gain work experience in the industry.

Askham Bryan College in York is the first college to sign up to the scheme, with more colleges expected to join in the coming weeks.

Marshalls wants to work with colleges to promote landscaping as an attractive profession, as many installers' order books are full, but countless firms are lacking the man power to fulfil their requests.

Dave Jessop, Operations Manager of the Marshalls Register said: "Working in partnership with colleges to promote landscaping as an attractive career choice felt like a natural progression for Marshalls. There is a lack of skilled workers in the landscaping sector, but demand for their services is higher than ever before.

"We want to encourage students to pursue a career in this wonderful industry, and instil best practice from the outset."

He added: "We're thrilled to be partnering with Askham Bryan College, and look forward to working together in the future to provide their landscaping students with the best possible start to their careers."

Marshalls can offer colleges workshops and master classes in specialties such as SuDS, ethical trading and supply chain, technical performance and selection of natural products, how to price up a project and quote a customer, and practicalities to consider when setting up your own business.

Marshalls will also assist in linking qualified individuals with Marshalls Register members who are looking to recruit new employees upon completion of their studies.



Regional Assessor Paul Dennis with Senior Landscape Lecturer Harry Turner



David Jessop with Alistair Phillips Director of Horticulture

# Health & Safety

## Concrete Graduates

A group of five Marshalls employees have successfully completed their Level 4 qualification in Concrete Technology.

Richard Connell, Adam Faben, Phil Litchfield and Chris Wilson attended their graduation ceremony on 8th April at the Enterprise Centre at the University of Derby, with Ian St Hilaire also graduating but not present at the ceremony.

The Level 4 course took place over a year, and included a lot of hard work, coursework and exams. It was a mixture of distance learning and University tutorials, with examinations at the end and continuous assessed coursework throughout.

The course covered a range of topics within the field of Concrete Technology across different disciplines (e.g mortar, ready mix, precast concrete, semi-dry etc) including: testing, aggregates, concrete, performance, specification, construction, durability, mix design etc.

Congratulations to you all – quite an achievement!



Our internal Safety, Health & Incident Prevention (SHIP) teams consist of employee representatives and managers and are the cornerstone of the safety management system at site level. The SHIP teams meet regularly to support and develop our safety programme. Marshalls' operating sites have been progressively implementing Integrated Management Registration systems accredited by the British Standard Institution incorporating the Occupational Health and Safety Accreditation Standard 18001-2007; at the end of 2015 all but one site held this accreditation. The organisation's Health & Safety Policy sets out the principles regarding the health and safety of employees and performance is monitored by the Board on a monthly basis.

## Health and Safety

percentage reduction in working days lost

20%

## Link to Strategy

Marshalls remains committed to meeting the highest health and safety standards for all its employees and continually strives to improve the quality and safety of the working environment.

## 2016 Performance

In 2016 there was a 20 per cent reduction in days lost from workplace incidents.

## Strategic Targets

The headline target for 2016 was to achieve an accident rate for the year no higher than the 2015 actual results.

## Remuneration Linkage

Health and safety performance is a remuneration performance target.

## Risk Management

The Group's compliance procedures and policies seek to ensure that local, national and international health and safety controls are fully complied with.

# Third Party Recognition & Awards

## Corporate Social Responsibility PLC Award 2016

The PLC Awards is now in its 31st year, having been held every year since its inception in 1987. The event, which has become firmly established as “the” City event of the year, is held annually, every March, at the Grosvenor House Hotel. The Voting Panel were looking for leadership, innovation, and commitment to take responsibility for the impact the company has on environmental and social wellbeing. This Award acknowledges that Marshalls has gone beyond what is required by regulators or environmental protection groups and has engaged in actions that further some social good, beyond the interests of the firm and that which is required by law. Marshalls has demonstrated increased shareholder trust through positive public relations and high ethical standards to reduce business and legal risk by taking responsibility for corporate actions which affect the environment and all stakeholders including consumers, employees, investors, communities, and others.



Kevin Burrowes, Executive Board Member, Clients and Markets Leader, PwC; Alan McGill, Partner in the Sustainability & Climate Change practice, PwC; Jack Clark, Martin Coffey, CEO, Richard Hoyle, Cathy Baxendale, Marshalls plc (winner); and Naga Munchetty (awards presenter).

## Third Party Recognition & Awards

### Safety in Numbers: Marshalls scoops two prestigious Health & Safety Awards

Marshalls is proud to announce that it picked up two awards at the 2015 Mineral Products Associations (MPA) Annual Health & Safety Awards ceremony. These prestigious awards celebrate health and safety initiatives at any organisations associated with the production of mineral products. Overall, this year's awards attracted 151 entries from 44 different organisations. Marshalls scooped the 'Behavioural Safety & Culture' award for the work, and subsequent results, achieved through the industry leading Visible Felt Leadership (VFL) programme and exemplified through the Incident Prevention Talks.

This programme has helped to create a stepped change within Marshalls which has led to the significant improvements in safety performance which have been seen over the last two and a half years, including a 58% reduction in the lost time incident severity rate, a 61% reduction in the lost time incident frequency rate, and a 63% reduction in the reportable incident frequency rate.

Marshalls second award of the night was the 'Engineering Innovation' award for the implementation of concertina guarding around the saws at Marshall Stancliffe Stone sites.

Marshalls' Tom Poole, MD of Operations, said: "These awards are a major achievement and recognise not only the effort across the Marshalls group of businesses but also the results being delivered day in day out.

"A big thank you must go out to everyone at Marshalls who has been involved in making these initiatives a success. The Health and Safety of our workforce will continue to be our number one priority as a business."



### Double Award Win for Marshalls

Marshalls was proud to win a double award win at the Construction Marketing Awards 2016. The prestigious awards, which took place on Thursday 1st December at the Radisson Blu Portman in London, celebrate the construction industry's creativity, innovation and effectiveness in marketing. Beating off stiff competition from the likes of Tarmac Cement and Celotex, Marshalls took home awards for both its Future Spaces research project, which identifies the key megatrends which will shape our commercial, public and domestic spaces over the next ten years, and its commercial branding campaign – 'Get a New Perspective on Paving.' Chris Harrop, Marshalls Group Marketing Director, said: "We are thrilled to have won not one, but two hotly contested categories at the CMA awards. 'It is always great to be recognised by the wider industry for the work we are doing, and is testament to the hard work of all who have contributed to our campaigns.'



### Marshalls' Mono Beany Wins Prestigious Innovation Award

Marshalls picked up the Innovation Award at the 2016 Mineral Products Associations (MPA) British Precast Annual Best Practice awards ceremony.

These prestigious awards are split into five categories: Innovation, Health and Safety, Project, Sustainability and Outstanding Contribution to Health and Safety, with the Innovation award acknowledging excellence within the British Precast membership, and promoting and encouraging innovation in the industry. Marshalls beat off stiff competition from the likes of Charcon, PCE Limited, and Tarmac Building Products to scoop the award at the annual ceremony, which took place at the Marriott Hotel, Leicester.

The winning project from Marshalls was for their innovative drainage system Mono Beany, which is a combined kerb and drainage system and utilises Marshalls' latest concrete mix technology M Tech, which is formed around a 100% recycled Polyethylene core.

Marshalls supplied 33,000 linear metres of Mono Beany over two phases of the new M1 smart motorway scheme, which was highlighted in the awards, where the challenge was to install a new infrastructure, including drainage attenuation, with minimal disruption, and to select a suitable product engineered to help the contractor meet deadlines and budget.

Alice Couldwell, Linear Drainage Product Manager, said: "We're thrilled to win the innovation award for Mono Beany. It has been such a success for Marshalls, and has already been installed in numerous successful high profile projects.

"Winning this award is great recognition for all the hard work we have put into new product development lately. Thank you to everyone who has made Mono Beany such a success, especially the production team at our West Lane works."

Some of the comments from the judges stated that there was "very clear innovation, but also speaks of quality of service too" and utilised a "new production technique."

Marshalls was also shortlisted in the Innovation category for the new Pavement Design Guide by Professor John Knapton, as well as the Sustainability Award for its electronic energy action plan integration.



# Third Party Recognition & Awards

## Marshalls awarded responsible business excellence

Marshalls has received two accolades at the Yorkshire and Humber Responsible Business Awards for its global development and sustainability activities and for making a difference in the local community.

The awards ceremony was hosted by Business in the Community (BITC) which is celebrating the 30th anniversary of Prince Charles' presidency.

At the packed event at Bradford's Cedar Court Hotel, Marshalls received the shortlisted award for Unilever Global Development, supported by Business Fights Poverty for its work with the supply chain programme in India. The programme has made a positive impact on its suppliers and improved the lives of quarry workers and their families in Rajasthan, India.

Marshalls was also recognised for making a difference in the local community, receiving a highly commended award for outstanding contribution to employee volunteering. Employees raised a fantastic £17,000 for Overgate Hospice in Elland last year through a sponsored walk to remember a dear colleague. This was matched pound-for-pound by Marshalls.

David Morrell, Head of Sustainability at Marshalls said: "Receiving the Global Development award was a testament to many years of hard work by the whole team at Marshalls and we picked up the employee volunteering award on behalf of all our Halifax employees who put their best foot forward for a local charity close to their hearts."

"The event offered an opportunity for us to see all the fantastic things Yorkshire businesses are doing in their communities which has motivated us to do more in the future."

Speaking via a video message at the dinner, HRH The Prince of Wales, President of BITC, said: "The Responsible Business Awards are always such a personal highlight for me each year, because they provide an important opportunity to celebrate business at its best and to showcase practical examples of how it is helping to build a more harmonious society and a more sustainable future."

"These awards are therefore vital as a way of inspiring other businesses to follow this lead."

Liz Needleman, Area Director England East, BITC, said: "The annual Responsible Business Awards celebrate those companies making a difference in communities, schools and within their own organisations. Many have created their own fantastic initiatives which have a positive impact on the employees who deliver them, and the people or project they are helping."



## Marshalls Plc Retains FTSE4Good Status

Marshalls plc is pleased to report that it has retained its long-standing position as a constituent of the FTSE4Good Index following the June 2016 review. The FTSE4Good Index measures the performance of companies demonstrating strong environmental, social and governance (ESG) practices.

CEO, Martyn Coffey, said: "I'm delighted that Marshalls continue to be recognised by FTSE4Good for our forging work driven by our sustainability model, and our approach to human rights, labour, environmental and anti-corruption."

"Empowered by our brand values of leadership, excellence, trust and sustainability, our team works passionately and diligently to uphold our public commitments. By doing so, and doing the right thing, together we are leveraging sustainability to drive competitive advantage for our business."

Chris Harrop, Marshalls' Group Marketing Director, responsible for sustainability, added: "Maintaining our position in the FTSE4Good is excellent news and sits well alongside the Fair Tax Mark which recognised the transparency that we display in our tax affairs, and that we are proud to state that we are good tax payers."

FTSE4Good's transparent management and clearly-defined environmental, social and governance criteria means that its indices is widely consulted by those creating or assessing responsible investment products, as well as a framework for corporate engagement and stewardship



Independent third party scrutiny and verification is a key component to Marshalls' approach to business, as is award recognition from external bodies. It is of great importance to Marshalls that the awards entered both showcase and challenge the company's pioneering approach.



^ Carbon Trust Standard Certificate of Achievement

Achilles BuildingConfidence standards

# COP FEEDBACK

## 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 & factory owners, managers, workers, unions and non-governmental organisations, the auditor ensures all areas of the ETI Base Code are upheld.

Marshalls works with Just Solutions in order to gain a consistent approach to auditing its supplier network and ensure supply chains remain ethical and best practice is shared where possible. Led by expert supply chain auditing specialist Stirling Smith, Just Solutions is an SA1 listed consultant who works to develop and extend the SA8000 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.

## Accreditation

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

## Ongoing Stakeholder Consultation

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

## 2016 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 in at

[www.marshalls.co.uk/sustainability/publications](http://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 2016 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 2016 and beyond.

**If you wish to take part in our COP feedback survey please email:**

[elaine.mitchel-hill@marshalls.co.uk](mailto:elaine.mitchel-hill@marshalls.co.uk)

# GRI Performance Indicators

GRI Indicator	Indicator Description
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.
EC3	Coverage of the organisations defined benefits plan obligations.
EN8	Total water withdrawal by source.
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.
EN22	Total weight of waste by type and disposal method.
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.
LA4	Percentage of employees covered by collective bargaining agreements.
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour.
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour.
HR10	Percentage and total number of operations that have been subjected to human rights reviews and/or impact assessments.

## UNGC Commitment Indicators

GRI 3.1 Disclosure	UNGC COP Element Addressed
Strategy and Analysis	Profile Disclosure 1.1 – Statement from the most senior decision-maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy Statement of Continuing Support
Organisational Profile	Profile Disclosure 2.1 – Name of the organization Profile Disclosure 2.2 – Primary brands, products, and/or services Profile Disclosure 2.3 – Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures Profile Disclosure 2.4 – Location of organization's headquarters Profile Disclosure 2.5 – Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report Profile Disclosure 2.6 – Nature of ownership and legal form Profile Disclosure 2.7 – Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries) Profile Disclosure 2.8 – Scale of the reporting organization Profile Disclosure 2.9 – Significant changes during the reporting period regarding size, structure, or ownership Profile Disclosure 2.10 – Awards received in the reporting period No Specific COP Requirement
	Profile Disclosure 3.1 – Reporting period (e.g., fiscal/calendar year) for information provided Profile Disclosure 3.2 – Date of most recent previous report (if any) Profile Disclosure 3.3 – Reporting cycle (annual, biennial, etc.) Profile Disclosure 3.4 – Contact point for questions regarding the report or its contents Profile Disclosure 3.5 – Process for defining report content Profile Disclosure 3.6 – Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers) Profile Disclosure 3.7 – State any specific limitations on the scope or boundary of the report Profile Disclosure 3.8 – Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations Profile Disclosure 3.10 – Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement Profile Disclosure 3.11 – Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report No Specific COP Requirement

# GRI Performance Indicators

GRI 3.1 Disclosure	UNGC COP Element Addressed
Governance, Commitments and Engagement	Profile Disclosure 4.1 – Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight Profile Disclosure 4.2 – Indicate whether the Chair of the highest governance body is also an executive officer Profile Disclosure 4.3 – For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members Profile Disclosure 4.4 – Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body Actions Taken to Implement Principles 1-10
Governance, Commitments and Engagement	Profile Disclosure 4.14 – List of stakeholder groups engaged by the organization Profile Disclosure 4.15 – Basis for identification and selection of stakeholders with whom to engage Sharing the COP with the Company's Stakeholders
Economic	Disclosure on Management Approach – Economic Provide a concise disclosure on the following Management Approach items: goals and performance; policy; additional contextual information. Actions Taken to Implement Principles 1, 4, 6 and 7
	EC1 – Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments. No Specific COP Requirement
	EC3 – Coverage of the organization's defined benefit plan obligations No Specific COP Requirement
Environmental	Disclosure on Management Approach – Environmental Provide a concise disclosure on the following Management Approach items: goals and performance; policy; organisational responsibility; training and awareness; monitoring and follow-up; additional contextual information. Actions Taken to Implement Principles 7, 8 and 9
	EN8 – Total water withdrawal by source Outcomes from Implementing Principle 8
	EN18 – Initiatives to reduce greenhouse gas emissions and reductions achieved Actions Taken and Outcomes from Implementing Principles 7, 8 and 9
	EN22 – Total weight of waste by type and disposal method Outcomes from Implementing Principle 8
Labor Practices and Decent Work	Disclosure on Management Approach – Labour Practices and Decent Work Provide a concise disclosure on the following Management Approach items: goals and performance; policy; organisational responsibility; training and awareness; monitoring and follow-up; additional contextual information. Actions Taken to Implement Principles 1, 3 and 6
	LA1 – Total workforce by employment type, employment contract, and region No Specific COP Requirement
	LA4 – Percentage of employees covered by collective bargaining agreements Outcomes from Implementing Principles 1 and 3
Human Rights	Disclosure on Management Approach – Human Rights Provide a concise disclosure on the following Management Approach items: goals and performance; policy; organisational responsibility; training and awareness; monitoring and follow-up; additional contextual information. Actions Taken to Implement Principles 1, 2, 3, 4, 5 and 6
	HR6 – Operations identified as having significant risk for incidents of child labour and measures to contribute to eliminate child labour Actions Taken to Implement Principles 1, 2 and 5
	HR7 – Operations identified as having significant risk for incidents of forced or compulsory labour and measures to contribute to the elimination of forced or compulsory labour Actions Taken to Implement Principles 1, 2 and 4
	HR10 - Percentage and total number of operations that have been subjected to human rights reviews and/or impact assessments. Actions Taken to Implement Principles 1, 2, 4 and 5.

