

Human Rights Impact Assessment Programme India.



Marshall's

Creating Better Landscapes



WE SUPPORT

Background on UNGC Engagement:

United Nations Global Compact



As the world's largest global corporate citizenship initiative 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 UNGC 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.

The UNGC is concerned with demonstrating and building the social legitimacy of business and markets. Marshalls plc. became a signatory of the UNGC in January 2009 and a member of the UK Network later the same year.

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

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

As part of its commitment Marshalls is required to produce an annual Communication on Progress report which details how Marshalls is aligned with the ten principles and how the plc intends to develop its activities in support of the framework laid out by the UNGC over the forthcoming months. Marshalls work to uphold the UNGC principles, including its work regarding human rights; can be found in its three COP reports at www.marshalls.co.uk/sustainability/publications.

UNGC Ten Principles

Human Rights

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

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

Labour

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

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

Principle 5: The effective abolition of child labour;

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

Environment

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

Principle 8: Undertake initiatives to promote greater environmental responsibility; 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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Introduction:

Chris Harrop, Marshalls Group Marketing Director, responsible for sustainability, and UNGC UK Network Chair.

Marshalls response to Ruggie's Protect, Respect and Remedy Framework, even at this early stage has been far reaching and extends to; policy development and broad communication; human rights training for employees, human rights supplier education and engagement events, an on-going global human rights impact assessment programme, undertaking a Children's Rights & Business Principles audit report and beginning to implement recommendations; cementing key strategic partnerships with global authorities UNICEF and WAGGGS regarding human rights; and engaging with UN Women regarding the Women's Empowerment Principles. It's fair to say that human rights are firmly on Marshalls' radar.



Chris Harrop, Marshalls Group Marketing Director, responsible for Sustainability, recipient of a BTC Game Changer accolade in 2012 and Chair of the UNGC UK Network.

Marshalls has been actively engaged in issues of human rights since 2005 when it began its campaigning, awareness raising and lobby work to abolish child labour from the quarrying sector in Rajasthan, India; working to establish social security rights for all quarry workers; the provision of education for the children of quarry workers within the wider community; and the funding of a free and on-going health and medicines programme in the Kota region.

In 2010 the Company issued its Human Rights Policy and began a programme of Human Rights Impact Assessment (HRIA) across its global operations. The inaugural human rights impact assessment in India represented the first step for Marshalls in critically analyzing, evaluating and communicating its progress and intentions regarding human rights.

This HRIA revealed not only potential impacts but also potential contributions that Marshalls is, and can increasingly make to uphold human rights. It also highlighted the need for employee education and the embedding of human rights throughout the organisation and its supply chain in order to fully recognise what is possible.

The Secretary General's Special Representative, Professor John Ruggie, presented his recommendations for the implementation of the Respect, Protect and Remedy Framework to the UN in April 2011. For Marshalls, the Ruggie Framework has provided clarity and a common language regarding human rights that has propelled the organisation forward on its human rights journey.

Aware of the work being undertaken by Professor Ruggie, Marshalls made a commitment at the end of 2009 to undertake

an initial four year programme of Human Rights Impact Assessments. This programme is on track and has now become an on-going part of Marshalls' human rights work. Efforts in 2010 were focused upon undertaking a Human Rights Impact Assessment in Kota in the state of Rajasthan, India. In addition annual monitoring in relation to all existing HIRAs is undertaken together with the implementation of recommendations. 2013 will see a further HRIA in India building upon what is already known and embracing new developments and deepening our organisational understanding.

The process has been a challenging one and is very much a journey for Marshalls, building upon our social and environmental impact assessment process. In many ways the process has inspired as many questions as answers and has highlighted the need for the organisation's on-going commitment to undertake assessment of the risks in relation to human rights.

Marshalls recognises that along with globalisation and instantaneous communications via the internet, opportunities come hand-in-hand with increased levels of threat and the potential for companies to find themselves caught up in situations of conflict and human rights violations. The HRIA process responding to the Ruggie Framework focuses the organisations attention on human rights issues and our duty to respect, protect and remedy.



You can follow Chris Harrop on twitter: [marshalls_chris](#)

Marshalls Human Rights Policy

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

Marshalls works 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 2010



Scope of the HRIA

Purpose:

To actualise Marshalls commitment to the UNGC in terms of principles 1 and 2 and to assist in the further development of policies and procedures regarding these Human Rights principles.

The scope of the HRIA India:

- to assess the quarries;
- to consider how community engagement and consultation can be enhanced;
- to assess whether and how Marshalls' activities in Kota impacts upon the human rights of the individuals employed in the supply chain and those in the wider community.

Objectives:

- > To critically assess human rights risks for the business and provide information upon which Marshalls executive board can make informed decisions.
- > To provided direction for the implementation of Human Rights awareness and embedding within the business in line with its UNGC commitment.
- > To communicate clearly the contextual framework within which Marshalls business activity takes place.
- > To identify key issues which impact upon the human rights of those working within the supply chain and the wider community.



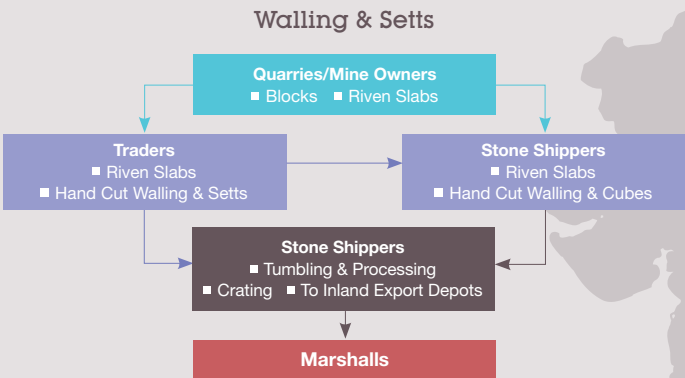
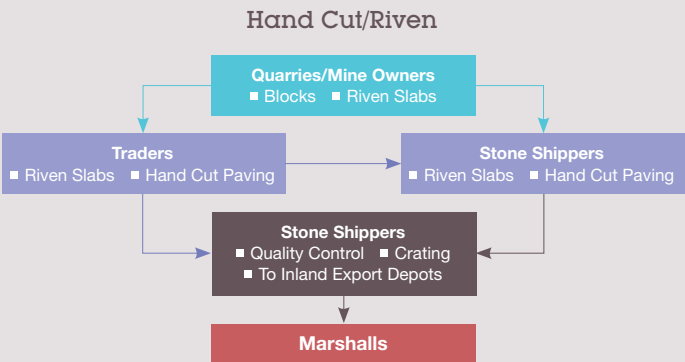
Marshalls Supply Chain in India

Geographic overview of the areas where major mines are located



Marshall's Supply Chain in India continued...

Colour Code for Supply Chain Levels



Human Rights in India

Head of state: Pranab Kumar Mukherjee
(replaced Pratibha Patil in July)

Head of government: Manmohan Singh

Torture and other ill-treatment, extrajudicial executions, deaths in custody and arbitrary detentions persisted. Victims of human rights violations and abuses were frustrated in their quest for justice largely due to ineffective institutions and a lack of political will. The first execution in India since 2004 took place in November. At least 78 people were sentenced to death. The authorities persistently failed to curb violence against women and girls, and a high-profile rape case in December spurred countrywide protests for legal and other reforms. At least 340 people, including civilians, were killed in clashes between armed Maoists and security forces. Accountability for crimes under international law remained outside

the scope of ongoing peace initiatives in Nagaland and Assam. At least 65 people were killed in intra-ethnic and communal clashes in Assam leading to the temporary displacement of 400,000 people. Adivasi (Indigenous), fishing and other marginalized communities continued to protest against forced eviction from their land and habitats, while official investigations progressed into the allocation of land for corporate mining. Defenders of human rights were threatened and harassed by state and non-state actors; some were sentenced to long-term imprisonment. The government attempted to censor websites and stifle dissent expressed through social media, prompting protests against internet restrictions.

Key issues in India include:

- Violence between security forces, militia and Maoists
- Corporate accountability
- Death penalty
- Violence against women and girls
- Communal and ethnic violence
- Excessive use of force
- Sedition laws
- Freedom of expression

*Amnesty International 2013 India Report
(Accesses online @ <http://www.amnesty.org/en/region/india/report-2013>)*

Contextual Issues

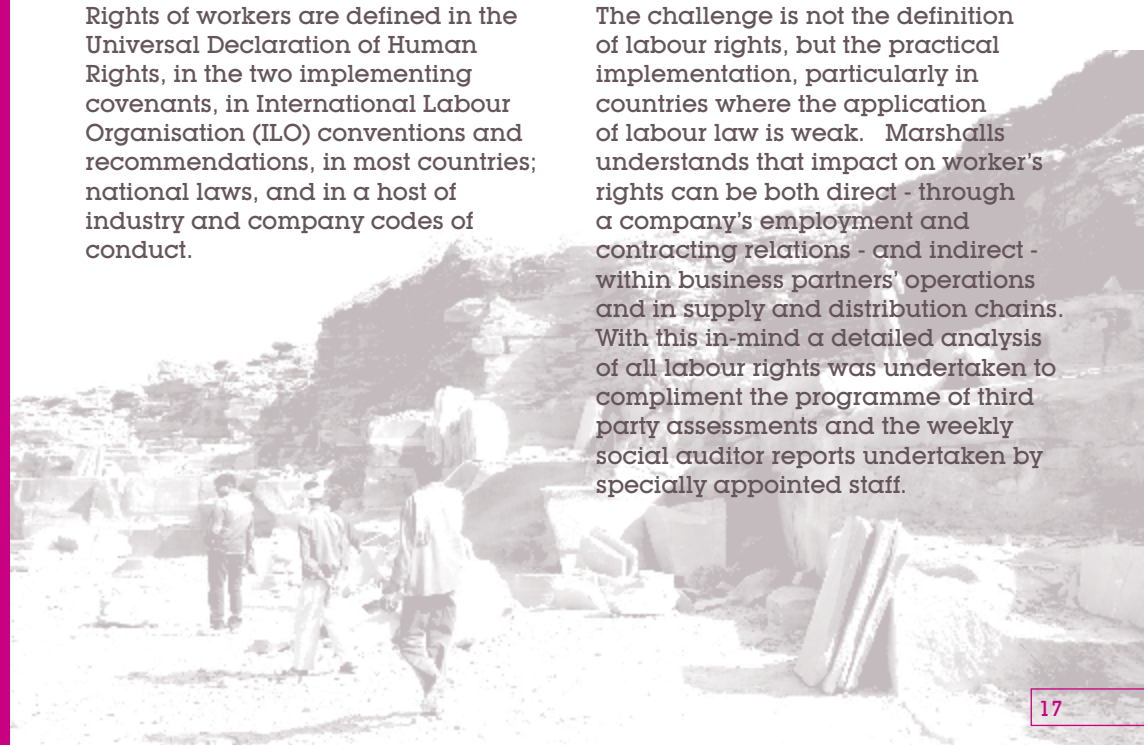
It is important to recognise the political, cultural, social and environmental issues which are the fabric of society in the State of Rajasthan and which provides the context for Marshalls operations. Marshalls found a lack authoritative research and statistics – either official or non-governmental – documenting the upholding of human rights for either Kota or the state of Rajasthan. Having researched and consulted with various sources of information the objective was to identify the core human rights issues and other issues affecting the community in Kota.

It is widely document that the Indian State Human Rights Commission has not fulfilled the expectations of its people and the wider international community in terms of protecting and promoting human rights and increasing awareness of these rights; India became a signatory of the UN Convention on the Rights of the Child almost a decade ago but as yet has not applied this to its own child labour and employment laws in relation to those under the age of 18.

Workers Rights

Rights of workers are defined in the Universal Declaration of Human Rights, in the two implementing covenants, in International Labour Organisation (ILO) conventions and recommendations, in most countries; national laws, and in a host of industry and company codes of conduct.

The challenge is not the definition of labour rights, but the practical implementation, particularly in countries where the application of labour law is weak. Marshalls understands that impact on worker's rights can be both direct - through a company's employment and contracting relations - and indirect - within business partners' operations and in supply and distribution chains. With this in-mind a detailed analysis of all labour rights was undertaken to compliment the programme of third party assessments and the weekly social auditor reports undertaken by specially appointed staff.



Key Findings & Recommendations

Broadly issues identified included; civil and political rights violations against dalits and scheduled tribes, discrimination against women and girls, lack of potable water, perennial drought conditions, custodial deaths, sexual violence against the female population, dowry crimes and murders, honour killings, female foeticide, traditional biases such as accusations of witchcraft, domestic violence, lack of implementation of child rights and tribal rights, poverty, inadequate medical provision, unhygienic conditions, unsafe drinking water, caste based crime, poor social security measure and the tradition of child marriages, trafficking and prostitution to name but a few.

It was also necessary to acknowledge and understand the changes which have taken place with regard to slavery; essentially that modern slavery is globalised, meaning that forms of

slavery in different parts of the world are becoming more alike. Key factors affecting modern day slavery all revolve around the new phenomena of disposable people.

Full acknowledgement and an understanding of these issues is important to Marshalls because this is the backdrop against which its business activities are carried out.

Whilst the organisation has worked hard to embrace and embed the Ethical Trading (ET) base code modern forms of slavery are more difficult to detect and require new and different lines of enquiry in terms of monitoring activity on-the-ground.

The Ruggie Respect, Protect & Remedy Framework provides clarification for UNGC participants and as such awareness of this must be raised within Marshalls across the board.

HRIA recommendations broadly fall into distinct areas

1

The embedding of human rights issues throughout the business.

2

Employee engagement in the delivery of Marshalls' approach to human rights.

3

Further development of the methods employed in terms of social audits, assessments and the measurement of NGO programme impact.

4

Increased consultation with constituents in Kota regarding the expansion and development of all aspects of work; including both the commercial and charitable activity.

Activity is already on-going in relation to the full recommendations and progress is continuous; human rights activity is monitored and reviewed annually with a complete HRIA undertaken every three years.

HRIA Development Highlights

Children's Rights & Business Principles; UNICEF Partnership: Market-leading Partnership Promoting Responsible Business Practices in the Indian Mining Sector.

Recognising a need for explicit guidance about what it means to respect and support children's rights – and in response to the Ruggie Framework – a joint initiative by the UNGC, UNICEF and Save the Children developed a set of 10 principles on Children's Rights and Business Principles ('The Principles').

The Principles set the standards for child-friendly business everywhere and guide companies on a full range of actions to respect and support children's rights in the workplace, marketplace and community. The Principles are proactive, not reactive, and call upon business everywhere to respect and support children's rights.

As a leader in its field with a proven commitment to protecting the rights of children and working on the ground to implement

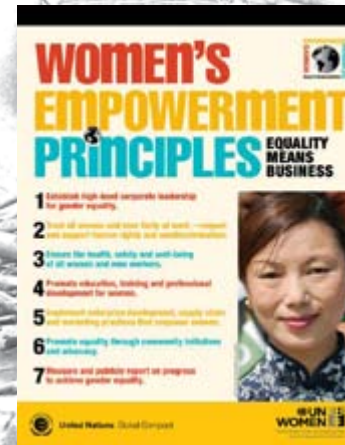
change, Marshalls was invited by UNICEF to take part in its global pilot programme using and assessing a range of CRS tools developed by the organisation. This pilot is still work-in progress and offers the opportunity to share knowledge and experience of implementing the CRBP and the challenges overcome by other organisations committed to ensuring that children's rights are respected and supported.

Marshalls is committed to being a child-friendly business. As such it complies with the law and seeks to respect and support children's rights wherever it operates. It also seeks to create value through its policies and operations, products and services, and initiatives and influences that promote the best interests of children. Marshalls recognised that by incorporating children's rights firmly within its sustainability agenda the organisation can work to achieve long-term positive outcomes for children through its core business activities, strategic social investments and public policy engagement.

Women's Empowerment Principles

Marshalls understands that empowering women to participate fully in economic life across all sectors and throughout all levels of economic activity is essential to; build strong economies; establish more stable and just societies' achieve internationally agreed goals for development, sustainability and human rights' improve quality of life for women, men, families and communities; and propel business' operations and goals.

In the autumn of this year Marshalls is undertaking its first audit report regarding women's empowerment using the Women's Empowerment Principles as its framework. The organisation will share an executive summary of its findings and will begin the process of implementing recommendations. Marshalls is engaged with UN Women UK National Committee and intends to become a WEPS signatory during 2014.



UNICEF Partnership

* This partnership aims to strengthen Marshalls' market-leading approach to social responsibility within the Indian supply chain. Together, UNICEF and Marshalls will become strategic partners contributing to eliminating child labour in India's mining sector, promoting a more responsible business model across the entire industry. The partnership comprises of:

* **Research Study:** A comprehensive analysis of the sustainability of mining, scrutinise the situation of children working in mines in several regions in India and assess the best practice interventions to prevent and combat child labour;

* **Systemic Change:** UNICEF will use the study's results to advocate with government, business and other relevant stakeholders to adopt policies and create a regulatory framework to ensure child labour is eliminated within the industry.

* **Promoting Education:** Marshalls will also support education interventions in Rajasthan, focusing on the key long-term preventive measures and essential components for the rehabilitation of children involved in child labour.

* UNICEF will seek to bring together key players, including the Government of India, to ensure the implementation of the study's recommendations produces long-term systemic change for children and their communities.

“

“I am pleased that we are partnering with Marshalls to tackle the shameful practice of child labour in the quarrying sector in India. This new partnership will enable us to work together for change, so that children in Rajasthan can be helped to leave behind a life of hard and hazardous work and focus on their educational prospects.”

David Bull Executive Director of UNICEF UK

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Worldwide Association of Girl Guides & Girl Scouts: Fit for Work/ Fit for Life Youth Unemployment, Gender Inequality and Poverty.

There is a renewed interest in addressing youth unemployment in developing countries as a means to intensify the fight against extreme poverty, achieving the MDGs, and meeting equity and development goals.

In partnership with Marshalls WAGGGS is developing a 'Fit for Work; Fit for Life' training programme which will be delivered by Member Organisations on-the-ground in India.

The programme has the following elements:

- ◆ Entrepreneurship skills education
- ◆ Income generation activity exposure and micro-finance access
- ◆ Financial literacy education
- ◆ Employability skills training

◆ Self-Esteem

- ◆ Health and well-being education (including immunization)
- ◆ Optional introduction to Girl Guiding (for beneficiaries not already in membership)



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The UNICEF report card on adolescents 2012 report states that adolescent girls in India who are married and have children at an early age fail to get education, employment or have an income generating activity and are at risk of poverty, exploitation, violence, and not fulfilling their potential. In addition they have fewer chances to be able to correctly take care of their babies once they are born therefore creating increased rates of child morbidity and mortality.

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Hadoti Education & Health programme

Working tirelessly to raise consumer and industry awareness of the issue of child labour since 2005 Marshalls, together with its local NGO partner, Hadoti, set about providing practical assistance in the form of free schools for children who would otherwise have no opportunity to get even a basic education. Since funding the first school in 2006, the company fully funds six schools which are open to the children of all quarry workers in the locality regardless of whether their parents work with Marshalls sole supplier in India.



Mrs Joshi, head of the NGO says,

"For parents, these schools address the problem of not having money to pay for education and the dearth of any kind of care facilities for their children while they are at work. Importantly, for the children themselves these schools offer access to education, a right which under India law is lost when families migrate in search of work. With approximately 300 children being educated each year, Marshalls is making a huge contribution to reducing the illiteracy rate of around 85% in the quarry areas in Rajasthan".



Further Reading & Resources

- **Universal Declaration on Human Rights:** <http://www.un.org/en/documents/udhr/>
- **Summary of Ruggie Framework:** <http://www.reports-and-materials.org/Ruggie-protect-respect-remedy-framework.pdf>
- **Guiding Principle on Human Rights & Business:** http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf
- **Children's Rights & Business Principles:** http://www.unglobalcompact.org/issues/human_rights/childrens_principles.html
- **Women's Empowerment Principles:** http://www.unglobalcompact.org/issues/human_rights/equality_means_business.html

Abbreviations

| | |
|---------------|--|
| CR | Children's Rights |
| CRBP | Children's Rights & Business Principles |
| CRC | Convention on the Rights of the Child |
| COP | Communication on Progress |
| ETI | Ethical Trading Initiative |
| GRI | Global Reporting Initiative |
| HRIA | Human Rights Impact Assessments |
| ILO | International Labour Organisation |
| UNICEF | United Nations International Children's Education Fund |
| UNGC | United Nations Global Compact |
| WAGGGS | Worldwide Association of Girl Guides & Girl Scouts. |

Appendix:

Marshall's Children's Rights Policy Statement

Marshall's 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.

Marshall's 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, market place and community.

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

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

Marshall's 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 child 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, Marshall's engages with in-country NGO's 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.

Marshall's 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 Trade Initiative (ETI) Marshall's commits to the ETI Base Code which states that interpretation of the child labour clause of the Code should be done bearing in mind ILO 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. Marshall's 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.marshall's.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 child rights are under threat Marshall's works to uphold local laws, promote international standards and

strives to have international standards upheld by the appropriate governments, institutions and agencies. Marshall's embraces opportunities to promote a broader understanding of children's rights working within its sphere of influence. Marshall's actively seeks to collaborate with appropriate organisations to promote children's rights in a manner which is consistent with the role of business.

Marshall's Human Rights Policy Statement

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

Marshall's works to ensure that its presence cultivates fair and sustainable relationships.

Marshall's respects and values the dignity, well-being and rights of employees,

their families and the wider community. The Company actively works and collaborates with employees, elected employee representatives, communities, non-governmental and other appropriate stakeholders to uphold and promote these rights.

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**Marshall's Statement
Regarding Child Labour Laws
in India**

Work in the quarrying and manufacturing of Indian sandstone involves heavy stone and the operation of machinery; Marshall's believes it is not safe or acceptable for children under the age of 18 to undertake this kind of work.

Marshall's actively works to ensure that no children are employed in the production of its Indian sandstone products. Employment checks are carried out on all workers, living wages are paid and free education provided for the children of quarry workers and the wider community. In addition Marshall's employs a social auditor in India who undertakes regular checks in quarries where Marshall's sources products. The social auditor works to build capacity and to address any issues with quarry owners. Weekly reports are sent to Marshall's head office in the UK.

Marshall's is aware of child labour law in Indian

and understands that the India Government has not ratified either of the two core International Labour Organisation (ILO) conventions concerning child labour, namely Convention 138 on the Minimum Age of Entry into Employment and Convention 182 on the Worst Forms of Child Labour.

Marshall's is also aware that Indian law (the Prohibition & Regulation of Child Labour Act 1986, see <http://indiacode.nic.in/fullact1.asp?tnm=198661>) currently defines a child as being under 14 years of age. However other countries, including the UK, abide by the definition in the United Nations Convention on the Rights of the Child which defines a child under 18 years of age (<http://www.unicef.org/crc/>). India did become a signatory of the UN Convention on the Rights of the Child almost a decade ago but as yet has not applied this to its own child labour and employment laws in relation to those under the age of 18.

In Indian law the 1986 act has a list of operations

which children under 14 are prohibited from undertaking. These include processes involving exposure to free silica such as that encountered in the slate, pencil, stone grinding, slate stone mining, stone quarries, aggregate industries, and also includes stone breaking and crushing. ILO Convention 182 states that a child under the age of 18 can work, but not in hazardous industries.

As a member of the Ethical Trade Initiative (ETI) Marshall's commits to its Base Code which states that interpretation of the child labour clause of the Code needs to be done bearing in mind the ILO 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. Marshall's therefore follows the ETI Code, and ILO standard, and will not permit children under 18 to work in its supply chain.

Marshall's has endeavoured to ensure that all images contained within this publication adhere to its CRBP Universal Marketing & Advertising Policy and Code of Conduct.



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2013

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