

Marshalls Response to...

The Ruggie Framework




Marshalls
Creating Better Landscapes



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 children's 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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Chris Harrop, Group Marketing Director, responsible for Sustainability and UNGC UK Network Chair.

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Introduction to Ruggie Framework:

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; work to establish social security rights for quarry workers; provision of education for the children of quarry workers within the wider community; and funding of an 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 human rights impact assessment process 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 Marshall is, and can increasingly make to uphold human rights.

It also highlighted the need for the education and embedding of human rights throughout the organisation and its supply chain in order to fully recognise what is possible.

For Marshalls the Ruggie Framework has provided clarity and a common language regarding human rights that have propelled the organisation forward on its human rights journey.

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

It's fair to say that human rights are firmly on Marshalls radar.

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



Ruggie Protect, Respect and Remedy Framework

In 2011, the UN Human Rights Council unanimously endorsed the 'Guiding Principles on Business and Human Rights: Implementing the United Nations Protect, Respect & Remedy Framework', proposed by the Special Representative of the UN Secretary-General on Business and Human Rights, Professor John Ruggie. The Guiding Principles outline how states and businesses should implement the UN Framework in order to better manage the human rights challenges to business. They provide a roadmap for companies to demonstrate that they are respecting human rights. The corporate responsibility to respect human rights, including children's rights, does not replace a states' duty to protect human rights; it exists independently of states' abilities and willingness to fulfil their obligations.

Protect

The first pillar of the Framework is the state duty to protect against human rights abuses committed by third parties, including business, through appropriate policies, regulation and adjudication. It highlights that states have the primary role in preventing and addressing corporate related human rights abuses

Respect

The corporate responsibility to respect human rights means acting with due diligence to avoid infringing on the rights of others, and addressing harms that do occur. The Framework is a global standard of expected conduct acknowledged in virtually every voluntary and soft-law instrument related to corporate responsibility, and now affirmed by the Human Rights Council itself.

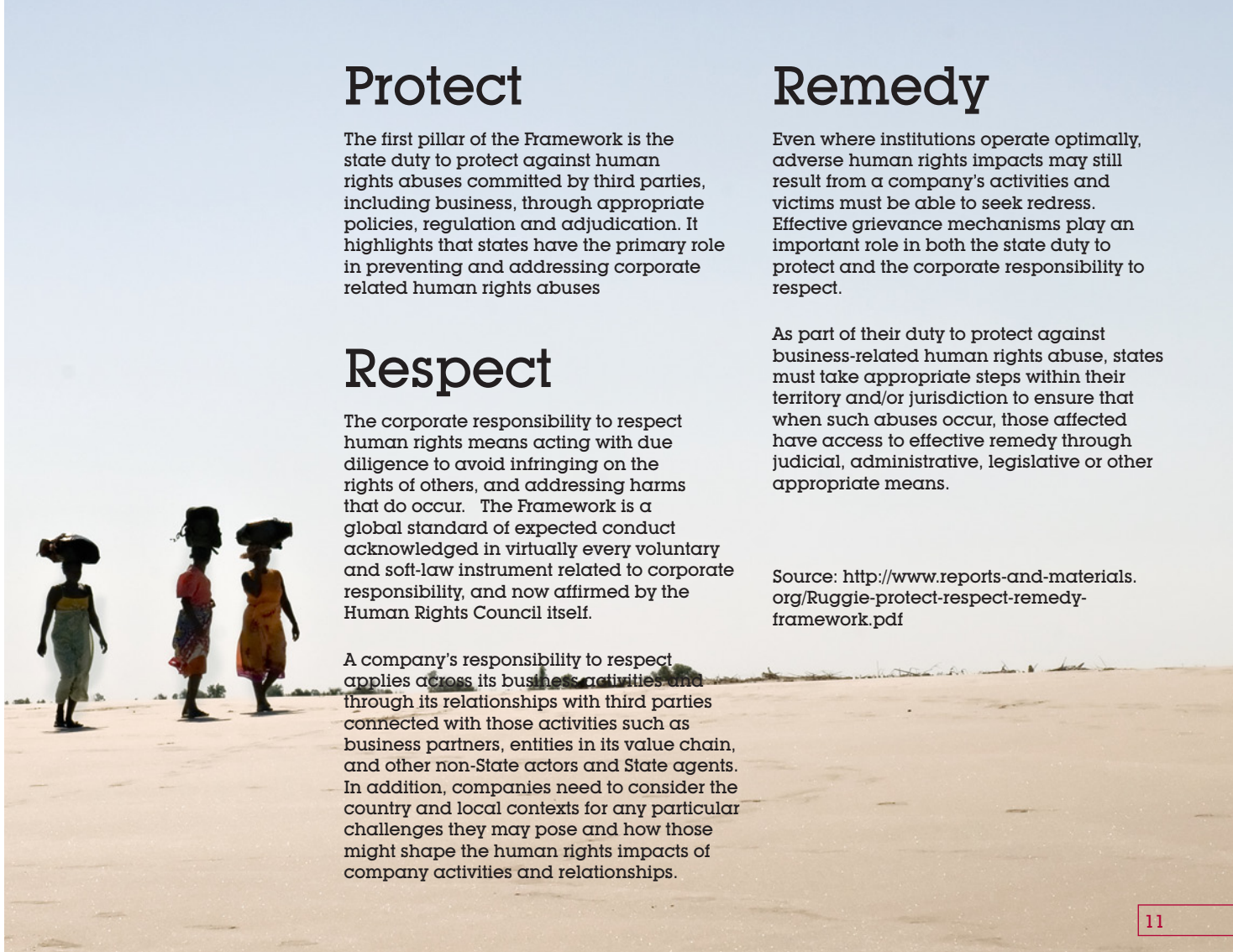
A company's responsibility to respect applies across its business activities and through its relationships with third parties connected with those activities such as business partners, entities in its value chain, and other non-State actors and State agents. In addition, companies need to consider the country and local contexts for any particular challenges they may pose and how those might shape the human rights impacts of company activities and relationships.

Remedy

Even where institutions operate optimally, adverse human rights impacts may still result from a company's activities and victims must be able to seek redress. Effective grievance mechanisms play an important role in both the state duty to protect and the corporate responsibility to respect.

As part of their duty to protect against business-related human rights abuse, states must take appropriate steps within their territory and/or jurisdiction to ensure that when such abuses occur, those affected have access to effective remedy through judicial, administrative, legislative or other appropriate means.

Source: <http://www.reports-and-materials.org/Ruggie-protect-respect-remedy-framework.pdf>



In order to meet their responsibilities to respect human rights, the Guiding Principles require business to have in place policies and processes appropriate to their size and circumstances. These include; a policy commitment, a human rights due diligence process to identify, prevent, mitigate and account for how they address their impact on human rights; and processes to enable the remediation of any adverse impacts they cause or to which they contribute (Guiding Principles 15).

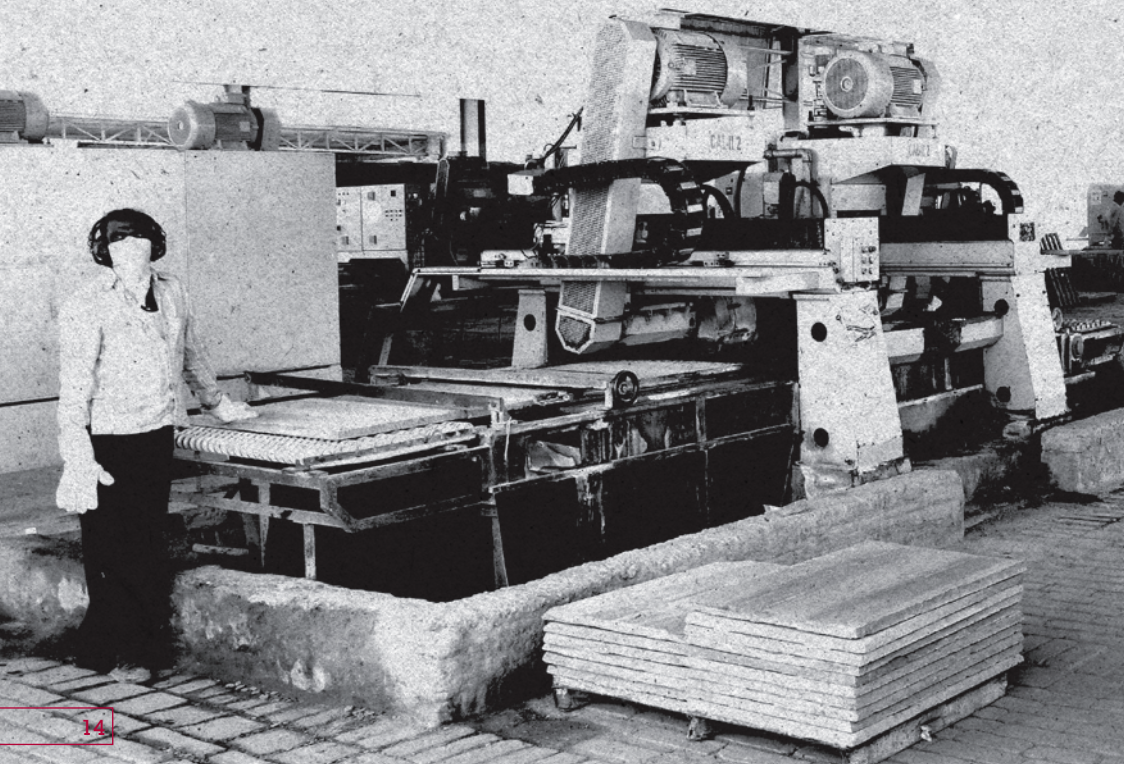
In addition to the Guiding Principles and Marshalls programme of annual Human Rights Impact Assessments the Company also uses critical standards and guidance on corporate responsibility and sustainability including: UNGC principles, Global Reporting Initiative Guidance (GRI), Ethical Trading Initiative (ETI) Base Code, Children's Rights & Business Principles (CRBP) and the Women's Empowerment Principles (WEPS).

Underlying these guidance standards for business are key international declarations and agreements that enjoy widespread consensus, such as the Universal Declaration of Human Rights, the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work, which covers child labour issues, the Rio Declaration on Environment and Development and the United Nations Convention Against Corruption.

Both ISO2600 and the Guiding Principles highlight the need for special attention to vulnerable groups, including women, people with disabilities, children, indigenous peoples and migrant workers. In relation to a company's impact on children, these guidelines highlight the need to actively address the full range of the company's impacts, rather than limiting its attention to just one issue. This approach is fully consistent with that of the Children's Rights & Business Principles (CRBP) and the Convention on the Rights of the Child (CRC).



Integrating Human Rights into Core Business Practice



Human Rights Impact Assessment Programme

Marshalls made a commitment at the end of 2009 to undertake an initial four year programme of Human Rights Impact Assessment. 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 2011, Marshalls concentrated upon the manufacturing process in China. In year three Vietnam

was the focus. In year three the focus will be other countries from which Marshalls sources to a less extent. An assessment is planned for the UK in 2014. The order of these impact assessments has been influenced by the percentage of product imported by Marshalls. In addition annual monitoring in relation to all existing HIRAs is undertaken together with the implementation of recommendations.

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.

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. This process further assisted in Marshall's own development of the organisations approach 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 focuses the organisations attention on human rights issues.

Children's Rights & Business Principle Engagement

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.

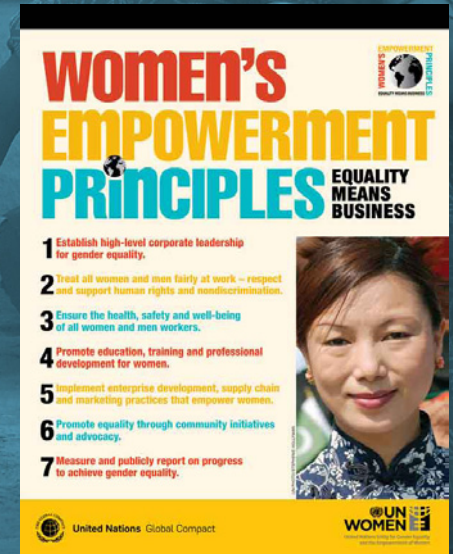
As a leader in its field with a proven commitment to protecting the rights of children and working on the ground to implement change, Marshalls was invited by UNICEF to take part in its global pilot programme using and assessing a range of CRS tools developed by the organisation. This pilot is still 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 Engagement

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.



Strategic Human Rights Partnerships:

UNICEF Partnership:

Market-leading Partnership Promoting Responsible Business Practices in the Indian Mining Sector.

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, focussing on the key long-term preventive measures and essential components for the rehabilitation of children involved in child labour.



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.



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.



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)

Hadoti Education & Health programme

Working tirelessly to raise consumer and industry awareness of the issue of child labour since 2006 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.

Fairstone®



by Marshalls

ethical values and commitments.

ETI Base Code

Marshalls is committed to the principles of the ETI Base and the application of its elements in its supply chains. The implementation of the Base Code is a journey to which Marshalls is committed ;

- Child labour shall not be used
- Living wages are paid
- Working hours are not excessive
- No discrimination is practised
- There is freedom of association
- No-one should be forced to work
- Working conditions are safe & hygienic
- No harsh or inhumane treatment is allowed
- Regular employment is provided



Ethical Trading Initiative

Fairstone® INDIA Defined

Marshalls 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

Marshalls employ 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 Marshalls to ensure that Fairstone commitments are upheld.

Marshalls 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, Marshalls has worked with local NGO Hadoti Hast Shilp Sansthan in partnership to:

- Develop and fund 6 Free Schools giving the children of migrant workers and local workers an education that they would not otherwise have had.
- Develop 6 free Health Centres and deliver monthly community health camps in the heart of the quarrying area in Bundhi. These services offer consultation, treatment, free medicines and referral pathways all of which would not otherwise be available.

Fairstone® CHINA Defined

Marshalls 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 Marshalls 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 Marshalls Chinese team takes the lead on all ethical supply chain matters. Quality Controllers also play a critical role in improving worker conditions.

Marshalls 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.

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

Fairstone® Vietnam Defined

Marshalls Fairstone® is an ethically sourced range of Natural Stone.

Fairstone® means that Marshalls 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.

Marshalls 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.

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

Marshall's has pioneered regarding the ethics of Indian sandstone since 2007. In 2009 the organisation launched its Fairstone brand to enable consumers with a conscience to initially buy Indian sandstone which is clearly identified as ethically sourced. Since its introduction to the range Fairstone has seen a substantial increase in market share.

Marshall's' commitment to Fairstone has never wavered, even in the difficult economic climate of recent years, and the organisation remains at the forefront pushing boundaries and tackling important issues.

"We can clearly and confidently say that Fairstone® involves no child labour, that workers receive living wages and that health & safety practices are firmly in place. Our ongoing research, engagement with commitment to our Indian partner organisations has enabled us to achieve this landmark position."

Chris Harrop, Marshall's Group Marketing Director



by Marshall's

"The development and co-ordination of the work to bring Fairstone® to market represents a great deal of work between Stone Shippers, Marshall's and Hadoti. It has meant a substantial commitment, not only in terms of money, but of time and effort. The progress made should be acknowledged as brave and forward looking. Marshall's pioneering work has often been met with resisted and disbelief by the sector both in the UK and in India. However, the benefits are clear to see and the launch of Fairstone® is wholly positive. Indian sandstone is among the best in the world and the fact that it can now be purchased with a clear conscience should bring peace of mind to those consumers in the UK who care enough to use their influence for the benefits of communities across the globe."

Rajiv Bazaz, Managing Director, Stone Shippers

During 2012 Marshall's launched its Fairstone China range. Marshall has established an office in China, has employed a team including the Fairstone China manager and has been working with its suppliers in China for a number of months; implementing the ETI Base Code, undertaking supplier education, undertaking a series of audits, establishing links with the local

community and developing relationships with quarry & factory owners and workers. Laying the foundations for an ethical supply chain has been the focus of activity.

During 2012 Marshall's has been working hard in Vietnam to build upon the lessons learned in the development of the Fairstone product programme in

both India & China. The focus so far has been on reviewing and assessing the supply chain. The result has been that a strategic decision was made to collapse the supply chain into three main suppliers. This will allow Marshall's to work closely with each of its Vietnamese suppliers to implement the ETI Base Code and ultimately deliver a Fairstone product to market.



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

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

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

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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.

Where human 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 human rights values working within its sphere of influence.

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

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 Marshalls employs a social auditor in India who undertakes regular checks in quarries where Marshalls sources products. The social auditor works to build capacity and to address any issues with quarry owners. Weekly reports are sent to Marshalls head office in the UK.

Marshalls 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.

Marshalls is also aware that Indian law (the Prohibition & Regulation of Child Labour Act 1986, see <http://indiacode.nic.in/fullact1.asp?fnm=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) Marshalls 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. Marshalls therefore follows the ETI Code, and ILO standard, and will not permit children under 18 to work in its supply chain.

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.
- 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.
- 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.
- 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.

- 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.
- 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.

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