



Creating Better Futures for Everyone

Marshall's plc United Nations Global Compact Communication on Progress and Sustainability Report 2020


Marshall's

Contents

Marshalls has been in business for over a century. Our approach to sustainability is based on strong foundations, our Code of Conduct and The Marshalls Way of doing the right things, for the right reasons, in the right way.

Our sustainability strategy is to Create Better Futures for Everyone: Socially, Environmentally and Economically. We've been doing this for 20 years and we have the track record to prove it.

We're committed to being a responsible business and are guided by the United Nations Global Compact (UNGC). We are committed to making our environmental, social and governance data transparent so that our customers can trust the Marshalls brand, our investors can quantify our sustainability credentials and our people can be proud of where they work.



Stay up to date with the latest news at marshalls.co.uk/sustainability

Marshalls plc
UNGC Communication on Progress and Sustainability Report 2020



Introduction

- 2** Marshalls at a Glance
- 3** Data Sheet
- 4** Statement of Support for the UNGC
- 5** Statement from Chris Harrop OBE
- 6** Scope of Operations
- 7** Materiality
- 8** COVID-19
- 9** UN Global Compact
- 10** UN Sustainable Development Goals



Environment

- 22** Environment
- 23** Risk Profiling
- 24** Carbon and Energy
- 25** Resource Use
- 26** Water
- 27** Waste Reduction
- 28** Logistics
- 29** Packaging
- 30** Biodiversity



Responsible Business

- 11** Responsible Business
- 13** Health and Safety
- 14** Product Innovation



Anti-Corruption

- 31** Anti-Corruption



Human Rights

- 15** Human Rights
- 16** UK Focus
- 17** Supply Chain Initiatives
- 18** Traffik Analysis Hub
- 19** Understanding Risk



Accreditations

- 32** Accreditations and Verifications

Engagement

- 33** Engagement



Labour

- 20** Labour
- 21** Equality and Diversity

Marshalls at a Glance

Marshalls is a complete external landscaping, interior design, paving and flooring products business – from planning and engineering, to guidance and delivery.

Our markets

Homeowners



Marshalls' domestic customers range from DIY enthusiasts to professional landscapers, driveway installers and garden designers.

Marshalls specialises in helping homeowners to create beautiful, yet practical, outdoor spaces which families can enjoy for years to come.

Homeowners revenue

27%

2019: 26%



Public Sector and Commercial



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

Public Sector and Commercial revenue

66%

2019: 69%



International



Marshalls' international operations comprise a manufacturing site in Belgium and sales and administration offices in the USA, China and Dubai.

International revenue, which also includes exports from the UK, comprises 7% of Group sales.

International revenue

7%

2019: 5%



What sustainability means to Marshalls

Marshalls' sustainability strategy is to create better futures for everyone – socially, environmentally and economically.

Delivering sustainable growth

We are guided by the United Nations Global Compact, the world's largest corporate sustainability initiative, which covers the four key areas of human rights, labour, the environment and anti-corruption.

Practically, our strategy work addresses the challenges and opportunities of the Sustainable Development Goals – specifically Decent Work & Economic Growth, Sustainable Cities & Communities, Responsible Consumption & Production, and Climate Action.

All of our work is underpinned by strong risk-based analysis and opportunity identification, based on international standards and is always externally validated.



Doing things The Marshalls Way

Data Sheet

ESG data sheet

During the last few years, we have included a self-assessment indicator in our reporting. We initially developed our own indicators in order to represent what we believed we were achieving in relation to each of the UN Global Compact's ten principles. However in 2020, and as outlined in last year's report, we carried out a review of this process in order to communicate our progress clearly. The review has resulted in this data sheet, which is a summary of our ESG (environmental, social and governance) data from Marshalls' operations. Here, we are showcasing our progress to promote transparency and give our stakeholders the information that matters to them.

50%

reduction in carbon footprint since 2008

100%

electricity from renewable sources

35%

reduction in plastic use since 2017

Corporate	2020	2019	2018
Revenue (£m)	469.5	541.8	491
R&D investment (£m)	3.1	5.5	4.9
Fair Tax Mark accreditation	Yes	Yes	Yes
Number of employees	2,659	2,580	2,207
Charitable donations (£)*	183,000	168,000	267,000
Number of staff disciplined or dismissed due to non-compliance with anti-corruption policy	0	0	0
Average days to pay a supplier**	40	44	47
BRE BES 6001 Responsible Sourcing of Construction Products	Yes	Yes	Yes
Number of staff trained on Code of Conduct	33%	n/a	n/a
FTSE4Good constituent	Yes	Yes	Yes
Environmental	2020	2019	2018
Absolute CO ₂ e emissions (tonnes)	42,637	52,577	54,229
Relative CO ₂ e emissions (kg per tonne of production)	8.65	9.21	9.92
Water consumption (m ³)	252,964	320,314	267,698
Waste generated (tonnes)	132,269	148,700	196,925
Waste to landfill	0.8%	0.8%	0.6%
UK energy performance (kWh m)	178.682	215.836	217.868
Sites with solar panels	1	1	1
Percentage of manufacturing sites with ISO 9001 for Quality Management***	100%	100%	100%
Percentage of manufacturing sites with ISO 14001 for Environmental Management***	100%	100%	100%
Percentage of manufacturing sites with ISO 45001 for Health and Safety Management***	100%	100%	100%
Percentage of energy consumption covered by ISO 50001****	97%	97%	90%
Carbon Trust Standard	Yes	Yes	Yes
CDP (Carbon Disclosure Project) score	B	D	B
People & Communities	2020	2019	2018
Women on the Board	43%	43%	33%
Women in senior management	29%	22%	25%
Living Wage employer	Yes	Yes	Yes
Employee net promoter score	7.6	n/a	n/a
Work related employee/contractor fatalities	0	0	0
Mental health first aiders	42	60	n/a
Number of elected members of Employee Voice Group	25	25	n/a
Active apprentices	99	50	70
Imported stone with Ethical Risk Index scores	100%	100%	100%
BRE BES 6002 Ethical Labour Sourcing	Yes	Yes	Yes

* charitable and community donations for 2018

** average based on July-December figures for all years, Bricks & Masonry not included in 2018 figures

*** Marshalls Civils & Drainage (acquired 2017) is included from 2019 onwards. Marshalls Bricks & Masonry (acquired 2018) is not included as new acquisitions have a 3 year transition period to ensure full compliance

**** remaining 3% covered by ESOS assessment

Statement of Support for the UNGC

Martin Coffey, Marshalls' CEO

Sustainability = Better Futures for Everyone



"The energy of Marshalls' extraordinary people is focused upon ensuring Better Futures for everyone."

The pandemic has underscored without a doubt the fact that planet Earth and its inhabitants are more fragile than we would like to think, and that we must all change our ways in order to ensure a better future for ourselves, our children and our grandchildren. It has brought into sharp relief, in a way that can no longer be ignored, the fact that we are all fundamentally interconnected and that our only way forward is to work together; whether as teams, communities, businesses, governments or nations.

The United Nations knew this when it developed the Sustainable Development Goals (SDGs) which were adopted by world leaders in September 2015 at a historic UN summit. To our absolute credit, Marshalls also recognised long ago what was coming on the horizon and what would be required of us as a business when we committed to becoming a United Nations Global Compact signatory way back in January 2009.

We continue to be incredibly proud that we are part of the largest sustainability platform on the planet and that we were well ahead of the curve in recognising that human rights, labour rights, environment and anti-corruption would become fundamental to us, our customers and the world beyond. The pandemic has brought us all to a tipping point which sees Sustainability up-front-and-centre. Within Marshalls we have taken clear steps to reaffirm our commitment to the UNGC, to its pillars, principles and to the SDGs. We're also absolutely clear about which SDGs we can contribute to most concretely.

Importantly 2021 is the International Year for the Elimination of Child Labour. We already understand from the ILO and others that children have been disproportionately affected by the pandemic, especially those who were already most vulnerable. We've been working on the complex issue of child labour for over 15 years and know how much hard work it takes from a wide range of actors to address and reverse the number of children globally in child labour.

During the first part of 2021 we will make our own renewed pledge in support of the International Year for the Elimination of Child Labour. In simple terms we say 'no to child labour', and 'yes to children's rights'.

In practice this demands that we take clear and consistent actions to ensure that people throughout our business are knowledgeable, confident and empowered to make good business choices each day in support of children's rights. It also demands that we work with our suppliers towards the elimination of child labour in the Indian stone sector, and with our peers to share what we know and to actively learn from them where we can. It also demands that we work with our customers so that they are clear that the decisions they make have a direct impact upon children and the issue of child labour. Acting upon the simple message of 'no to child labour' and 'yes to children's rights' demands active engagement today, tomorrow and everyday into the future.

We will of course continue to work with the UN, with governments, with NGOs, with workers in our supply chains, with communities. We will ensure that we listen to children; that they have a voice and are heard by us. In short, we will speak up and act to eliminate child labour and to support and advance children's rights. I am clear that each one of us is either part of the problem, or part of the solution. Marshalls' pledge is to continue to be part of the solution, whatever it takes.

Our actions as we move forward in 2021 and beyond are focused upon ensuring Better Futures for everyone; for you, for me, for our local communities, our nation, our customers, our suppliers, the people working in our global supply chains and the most vulnerable in society. Better Futures is inextricably linked to The Marshalls Way; doing the right things, for the right reasons, in the right way. The energy of Marshalls' extraordinary people is focused upon ensuring Better Futures for everyone.

Martin Coffey
Chief Executive Officer

Statement of Support for the UNGC continued

Chris Harrop OBE, Marshalls' Group Sustainability Director

Taking Climate Action



"It is now that governments, companies and individuals must work together to make meaningful change."

We have indeed reached a tipping point. Whilst the sustainability agenda has been gaining steady momentum over the last few years, events over the last year have brought it to the fore.

The 'Attenborough Effect' has made a big impact on the way we look at plastic and Greta Thunberg has raised the profile of climate change like no other. In 2020, the global pandemic has affected every aspect of our lives and shone a light on inequality. There is now a global recognition that we're interconnected in issues of sustainability and 'one planet living' cannot continue – we're way beyond that.

In November, the COP26 summit will be held in the UK. Bringing parties together to accelerate action towards the goals of the Paris Agreement and the UN Framework Convention on Climate

Change, much focus will be given to how we plan to take further action on climate. It is now that we need to redouble our efforts. It is now that governments, companies and individuals must work together to make meaningful change.

To me, the words 'climate action' really mean something. Global warming is real and I've seen it for myself. In 2017, I went to the North Pole to see with my own eyes the impact of climate change on the polar ice caps. The result is startling, so much so that the trip I took was the last one because the ice is now too thin to support a camp and transport to get in and out.

At Marshalls we've been talking about sustainability issues for over 20 years. We were the first in our industry to publish carbon footprints for every single one of our products and more recently, the first in our industry to have our carbon emissions targets approved by the Science Based Targets initiative. We believe that as a business, we have a responsibility to our customers, our people and our supply chain to take action. It's The Marshalls Way and it's the

way we work – we make a public commitment, we take action, we report transparently and we seek third party validation. We are also clear about the issues that are material to our stakeholders. We ensure that our actions are meaningful against key materiality issues and embedded in the business.

There is no place for greenwash. The statements we make about Marshalls' sustainability credentials are backed up by fact and data. Misleading information and vague narrative only serve to undermine progress. This is the time to stand together. It is now that governments and responsible companies must make sure that standards are robust and adhered to, in order to enable comparison, show progress, and allow customers to make informed decisions.

Chris Harrop OBE

Group Sustainability Director
Chair of Made in Britain

Scope of Operations

The UK's leading manufacturer of hard landscaping products

Where we operate

We have manufacturing plants, quarries and distribution sites across the UK. Our unique national network ensures proximity to customers and an efficient logistics footprint.

Locations

HQ and Manufacturing

● UK

Sales and Marketing

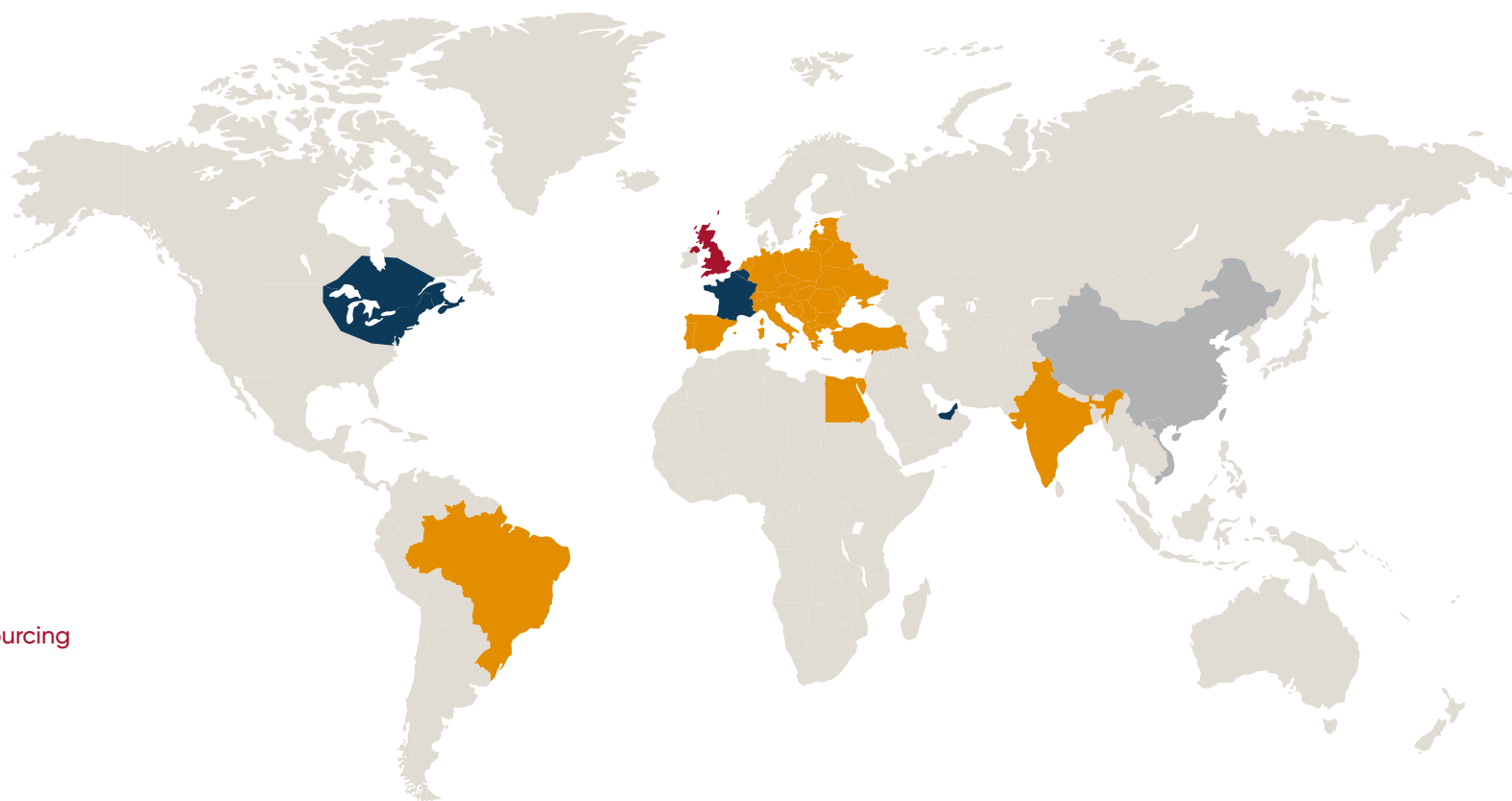
● Belgium
● France
● North America
● Middle East

Sourcing

● Europe
● Turkey
● Egypt
● India
● Brazil

Quality and Ethical Compliance Office and Sourcing

● China
● Vietnam



Materiality

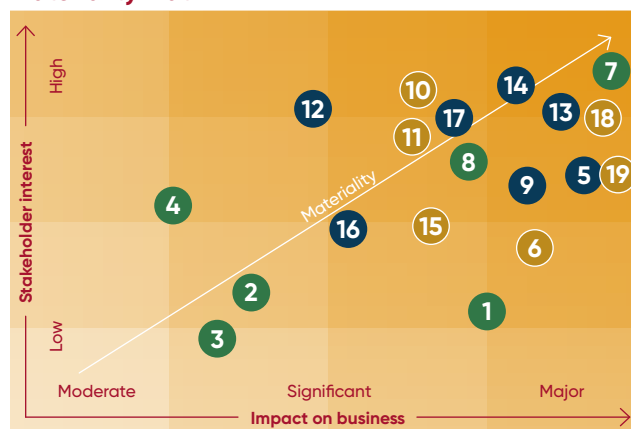
It is important for Marshalls to align its sustainability strategy to material issues – the issues that matter most to our business and our industry, as well as our stakeholders.

Taking guidance from the Sustainability Accounting Standards Board (SASB) construction materials materiality issues, the UN Sustainable Development Goals and our own stakeholder analysis, we have looked at the areas that impact on our business as well as the issues that are key to our stakeholders.

In compiling the matrix, we have identified a number of key material issues, broadly falling in the categories of environment, people and responsible business. These issues are material to our business and feed into the development of our strategy. Though they are individual and relate to different aspects of our operations, they do not stand alone – they are interconnected and interlinked and impact on one another.

As part of our materiality assessment, we have undertaken a series of workshops and training sessions with our teams to discuss what matters most to our customers, as well as regular communications and engagement with our suppliers and partners. In 2021, we will continue this process by carrying out a comprehensive review involving a number of internal and external stakeholders, including customers, staff, suppliers and partners. It is likely that the categories of environment, people and responsible will further connect as salient issues such as upcoming UK and EU legislation, human rights due diligence and our own environmental profiling begin to merge.

Materiality Matrix



- 1 Energy management
- 2 Water management
- 3 Waste management
- 4 Biodiversity impacts
- 5 Health and safety
- 6 Product innovation
- 7 Impact of climate change
- 8 Carbon reduction
- 9 Employee wellbeing
- 10 Supply chain resilience
- 11 Responsible sourcing
- 12 Community relations
- 13 Human rights due diligence
- 14 Modern slavery risk
- 15 Anti-corruption
- 16 Diversity and equality
- 17 Brexit
- 18 Regulatory environment
- 19 Circular economy

COVID-19

Shortly after the World Health Organisation characterised COVID-19 as a pandemic, Marshalls introduced a range of measures to support national and global efforts to help tackle the spread of the virus and to ease its impact upon business-critical activities.

These measures included putting in place robust health and safety measures to keep employees and customers safe, and clearly and consistently communicating with our teams about the fast-changing impacts of the pandemic.

Throughout 2020, we maintained a vital communications pipeline to employees, which is ongoing today. We prioritised providing regular updates, guidance and support, as well as being quick to react to new local, NHS and UK Government guidance. We recognise that our people place trust in the communications we share and have looked to us as a major source of information throughout the pandemic. Our collaborative approach engaged employees from different functions, working together to ensure we could communicate quickly and consistently. Throughout the pandemic, we used a variety of communications channels to keep in touch, including text message alerts, letters, posters for our sites and our dedicated Facebook page.

Mental health and wellbeing

In 2020, looking after the mental health of our people has been a priority. Mental health conversations with our dedicated mental health and wellbeing service increased by over 60% this year (based on like-for-like data). During the national lockdown, our increased use of internal

communications channels ensured we were able to stay connected and promote our employee assistance programme. We also introduced wellbeing focused posts on our social media accounts, offering useful advice, webinars and support.

Community support

Our ability to operate safely and efficiently enabled us to also contribute to our local communities. We delivered face shields to social care workers, along with a donation of our own PPE to Calderdale Royal Hospital ICU, 100 tonnes of screed for the Manchester Nightingale Hospital and paving to Blackpool Victoria Hospital. Outside the UK, we shared our health and hygiene messaging with our overseas supply chain, maintained order levels and continued to pay suppliers throughout the pandemic.

Health and safety

There is no doubt that the global pandemic brought many challenges to the Health & Safety team in 2020. Putting the safety and wellbeing of colleagues and customers first, Marshalls' logistics, dispatch and operational sites have continued to prepare and deliver Marshalls' products to keep the business running and orders fulfilled. In order to support them, safe working practices were quickly introduced. Responding to government guidelines and Marshalls' own robust health and safety protocol, additional processes were introduced including specialised COVID-19 safety training, regular risk assessments, workplace inductions, site signage, floor markings and additional ways to sanitise. All sites underwent unannounced COVID-19 audits to ensure controls were working. Returning to work, our colleagues were provided with further support whether they were on site or working from home. Marshalls also set up an intranet support page and launched a dedicated health and safety email address for colleagues to ask questions or raise concerns.

COVID-19 and how to stay safe



Modern slavery

During the pandemic, we undertook a review of our business and human rights activities through the lens of COVID-19 and to understand whether these could be amended or enhanced in the wake of our growing sense of the scale of the virus's impact. This also allowed us time to have detailed conversations with our partner organisations, such as the ILO Child Labour Platform, and the International Organisation for Migration, to understand from their perspective the immediate impact upon workers, their families and communities.

In addition we engaged with our peers across sectors and the globe through the UN Global Compact and Thomson Reuters Foundation platforms to share and learn in real-time from other international and transnational organisations responding at speed with both the immediate and long term implications and issues as a result of the pandemic.



"Everywhere we look, we see developing news about the pandemic. It's placed even more importance on safety at home and at work. I'm proud and grateful that our people have shown such great commitment in following guidelines to keep themselves and others safe."

John Davies
Health, Safety & Environmental Director

UN Global Compact

Marshall's is a participant of the United Nations Global Compact (UNGC) which is a call to companies everywhere to align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and to take action in support of UN goals and issues embodied in the Sustainable Development Goals.

We continue to support the work of the UN Global Compact and in 2020, we were active participants in the UNGC UK Network Modern Slavery Group and the UNGC UK Network TCFD (Task Force on Climate-related Financial Disclosures) Working Group.

This sustainability report is our Communication on Progress to the UNGC to inform our stakeholders on the progress we have made in implementing the ten principles.

WE SUPPORT



Human Rights

Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2

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



Labour

Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4

The elimination of all forms of forced and compulsory labour.

Principle 5

The effective abolition of child labour.

Principle 6

The elimination of discrimination in respect of employment and occupation.



Environment

Principle 7

Businesses should support a precautionary approach to environmental challenges.

Principle 8

Undertake initiatives to promote greater environmental responsibility.

Principle 9

Encourage the development and diffusion of environmentally friendly technologies.



Anti-Corruption

Principle 10

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

UN Sustainable Development Goals

Through our engagement with the UN Global Compact, we aim to make a rich contribution to the United Nations' Sustainable Development Goals (SDGs) by engaging with governments, collaborating with UN partners, developing innovative products which respond to environmental challenges, addressing modern slavery and transparency in our global supply chain and putting sustainability at the heart of what we do.

In 2020, we reviewed each of the 17 SDGs and their individual targets in order to identify the areas that best fit Marshalls' strategic objectives and material issues. Based on the UN Global Compact's SDG Action Manager and stakeholder engagement, we identified four priority SDGs. Other SDG targets are pertinent to Marshalls' work and stakeholders, but the four we have identified are those where we feel we can make the most impact. In each section of this report, each material SDG is featured.

Our review also identified inter connections between SDGs and different levels of relevance of each goal. With this also comes the recognition that working on one SDG may hinder progress of another SDG. Marshalls' aim is to focus on positive impact whilst mitigating negative impact. This is why in 2021, we will take our review to its next iteration and analyse the potential risks of our business by looking at both positive and negative impacts. This will involve further stakeholder engagement and investigating how to measure performance against SDG targets.

SUSTAINABLE DEVELOPMENT GOALS

How we contribute to the Sustainable Development Goals



- Paying a real Living Wage based on the Living Wage Foundation
- Embedding the ETI Base Code into our operations and ensuring fair working conditions
- Engaging with stakeholders to uphold human rights principles
- Providing professional development opportunities to our employees via our talent management strategy
- Ethical Risk Index based on ETI Base Code factors for imported stone products



- Collaborating with industry peers on sustainable building practices
- Investing in new product design for sustainability
- Cement reduction and replacement R&D programme
- Implementing road safety programmes for our drivers



- Carbon labelling of our products
- Setting science-based targets for carbon emissions reduction
- Investing in more sustainable ways of making our products and reducing plastic
- Setting targets for reducing waste and packaging



- Analysing risks and opportunities relating to climate change
- Carbon reduction programme based on approval well below 2°C Science Based Targets initiative targets
- Reporting Scope 1 and 2 emissions with reference to recommendations from the Task Force on Climate-related Financial Disclosures (TCFD)
- Engaging with suppliers to manage and report Scope 3 emissions



Responsible Business



Greater transparency leads to increased trust. This in turn provides the solid foundations required for sustainable growth. We are committed to making our environmental, social and governance data transparent so our customers can trust the Marshalls brand, our investors can quantify our sustainability credentials and our people can be proud of where they work.

We assume responsibility towards the communities and environments in which we operate, and towards our employees, business partners and society in general.

- We do business with the highest degree of integrity and ethics.
- We comply with all legal requirements of the countries where we do business.
- We respect the United Nations Universal Declaration of Human Rights and recognise our responsibility to observe those rights towards our employees and the communities in which we operate.



2020 achievements

- Launch of Marshalls' Code of Conduct and training programme
- Payback of £9.4 million furlough money and deferred VAT
- Re-accreditation of Fair Tax Mark and BES 6001 for Responsible Sourcing
- Living Wage employer and Superbrand status
- Set up of ESG Committee

2021 priorities

- Materiality review
- Assessment of impact on SDGs
- Code of Conduct training programme
- Looking to adopt ISO 20400 Sustainable Procurement
- Re-accreditation of Fair Tax Mark, BES 6001 for Responsible Sourcing and Living Wage employer status



"There is no doubt that 2020 has been a most challenging year, but being a responsible business is what Marshalls is about. Throughout the pandemic, we continued to operate safely and in line with our commitment to creating better futures for everyone – and it is clear to us that in order to create better spaces and better futures, we have to put people, communities and the environment first.

In terms of sustainability and resilience, we have a compelling story to tell. Marshalls has a 130-year history of strong principles, based on contributing to the world around us. These principles remain today and sustainability is part of the fabric of the business."

Vanda Murray OBE
Marshalls' Chair





Responsible Business continued



Sustainable sourcing

We see sustainable sourcing as an essential part of how we work and we expect our suppliers to adhere to our Code of Conduct.

Following the update to our Code of Conduct, our supplier engagement programme will continue with training on the Code in 2021.

Marshalls has achieved BRE BES 6001 accreditation for the Responsible Sourcing of Construction Products and BRE BES 6002 for Ethical Labour Sourcing.

In 2021, we will begin investigating the adoption of ISO 20400 for Sustainable Procurement.

1st

hard landscaping company to achieve BRE BES 6001 for Responsible Sourcing of Construction Products

Living Wage

As part of our commitment to our people, Marshalls has again been awarded the Living Wage Employers Accreditation. The Living Wage is calculated according to the basic cost of living in the UK. The Living Wage, not to be confused with the 'National Living Wage' introduced and set by the UK Government, is higher and employers choose to pay it voluntarily. We pay a Living Wage to all contractors (working over eight hours a week), all staff and all apprentices. We know that having people who feel valued and properly rewarded allows us to deliver the best for our people, customers, partners and stakeholders.

100%

of Marshalls' employees receive the real Living Wage (as defined by the Living Wage Foundation)

Fair Tax

We're proud to say we pay our fair share of tax and to be Fair Tax accredited again in 2020. The Fair Tax Mark, from the Fair Tax Foundation, is the label for good taxpayers. It indicates 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. It sets standards in responsible tax practice.

Fair Tax accredited since

2015

Payment of suppliers

During the global pandemic, Marshalls was keen to pay all suppliers on time. We made a point of prioritising small businesses, by maintaining order levels and ensuring prompt payment. We have reduced our number of average days to pay a supplier from 47 in 2018 to 40 in 2020, with a view to reducing this further. We already engage in Payment Practices and Payments Reporting (PPPR) and we are working towards joining the Prompt Payment Code (PPC). The PPC is a voluntary code of practice, administered by the Office of the Small Business Commissioner on behalf of the Department of Business, Energy & Industrial Strategy. The target is to pay 95% of invoices within 60 days, and 95% of invoices from businesses with fewer than 50 employees within 30 days.

Made in Britain & Green Growth

Marshalls is a proud member of not-for-profit organisation, Made in Britain. In 2020, we joined a multi-sector taskforce, and Cambridge Judge Business School, to research, create and implement a sustainability and circular economy assessment, specifically for manufacturers. Inspired by science-based targeting and the UN's SDG 12 for Responsible Production and Consumption, the assessment has been produced to support all Made in Britain members, wherever they are on their sustainability journey.

Over 90%

of our commercial and domestic manufactured products are made in Britain

Supply Chain Sustainability School

Marshalls is a founding partner of the Sustainability School and, though our engagement in 2020 was not extensive, we have renewed our involvement. We are working with the school by actively engaging with Leadership Groups and Special Interest Groups, including Climate Action and promoting training content on sustainability topics.



Responsible Business continued

Health and Safety

Marshall's is committed to meeting the highest standards of health and safety to ensure the safety, health and wellbeing of its employees, visitors and contractors.

Anyone who works for or with Marshall's must ensure and promote a safe and proactive working environment at all times. Our Health & Safety Policy applies to anyone who works for Marshall's, or is working on our premises.

12.2%

reduction in days lost
resulting from all
accidents frequency rate

61.5%

reduction in all incident
frequency rate

33.3%

reduction in incidents
reportable to the HSE
under RIDDOR

34.5%

reduction in lost
time incidents (LTIs)
frequency rate

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2020 achievements

- Donation of PPE and managing health and safety processes throughout COVID-19
- 20% increase in health and safety training hours per employee
- 34.5% reduction in lost time incidents
- ISO 45001 maintained

2021 priorities

- Reduction of major incidents by 10%
- Reduction in days lost of 10%
- Increase number of mental health first aiders
- Introduction of SHEQ digital management system

In 2020, Marshall's demonstrated its commitment to meeting the highest standards of safety, health and wellbeing by continuing to operate safely during national lockdown restrictions. The year saw the introduction of a variety of initiatives to ensure the continued safety of employees, customers and suppliers during the pandemic:

- Creation and implementation of detailed COVID-19 risk assessments and procedures across the business.
- Support and advice from the SHE team during the pandemic, including monthly COVID-19 audits to ensure effectiveness of control measures.
- Using technology to reduce the need for people to travel.

All Marshall's sites have BS EN ISO 45001:2018 for Health and Safety Management Systems in place. Any new companies acquired over the last two years are working towards ISO 45001.

In 2020, no health and safety incidents led to work related employee or contractor fatalities. Those health and safety incidents that led to injuries were reported to the HSE under RIDDOR and were investigated firstly by site, then by the Health & Safety Department which reports to Marshall's Executive Board.

Marshall's is committed to employee involvement in health and safety improvements. All operational sites operate SHEQ meetings, and the Health & Safety team has a quarterly review. Every month, a meeting between the Health, Safety & Environmental Director, CEO, CFO and Operations Director takes place to discuss health and safety data and improvements, review strategy, and discuss and monitor legislation changes. Trade Unions are also involved in the development of health and safety, with the Health, Safety & Environmental Director meeting with unions every six months as well as monthly discussions with the union convenor.

Focus on mental health

Marshall's mental health programme was launched in August 2019. Our Mental Health and Wellbeing Policy aims to:

- Promote good mental health and wellbeing of all employees through effective communication of our policies and best practice.
- Increase the awareness of our employees regarding issues associated with mental health and wellbeing and to develop the skills and knowledge of managers, supervisors and employees to deal with these issues.
- Provide support to employees experiencing a mental health problem while in employment and upon return from any absence, whilst preventing discrimination and promoting empathy.

Due to site closures and the impact of pandemic, the number of mental health first aiders dropped to 42 in 2020. Mental health first aiders are a point of contact if our people are experiencing a mental health issue or emotional distress. They can give initial support and signpost to appropriate help if required. The mental health first aiders are supported by monthly updates to check on their own wellbeing and identify any training gaps. As well as the mental health first aiders, our people have access to an independent, free, confidential advice service that operates 24/7.

In 2020, Marshall's mental health programme supported 790 colleagues.

In 2021, our plan will focus on:

- Training 16 new first aiders – the programme is so well regarded that there is currently a waiting list for trainees.
- Using a mix of internal channels to promote mental health first aiders' work.
- Ensuring we have coverage of mental health first aiders across all levels of the business.
- GAS (Go And See) walks to allow mental health first aiders to check in with individuals and teams.



Responsible Business continued

Product Innovation

Marshall's has been manufacturing hard landscaping materials for over 130 years and has become the leading supplier of products that create our urban environment. We have achieved this status through innovative product development and by demonstrating outstanding service levels to our customers.

Product innovation is key to our success and part of our response to climate change and wider environmental and social issues. In 2020, we invested £3.1 million into research and development – and this includes sustainable product development.

Many of Marshall's products are readily reusable and recyclable at the end of their life. Our innovative product development ranges from exploring different cementitious mixes in our concrete products to 60% cement replacement in our block paving.

If UK housebuilders switched to concrete bricks for all the houses built in just one year, the lifetime CO₂ savings would be equivalent to:

Number of cars on the road reduced by 300,000 cars

Transatlantic flights reduced by 500,000 planes



Concrete bricks

With the reduction of carbon emissions a primary focus, the housebuilding sector is challenged to find a lower-carbon solution to its new-build requirements. The UK Government has committed to net zero carbon emissions by 2050. With a 300,000 UK new housing target per year by 2025, the housebuilding sector cannot meet both its building targets and the required reduction in embodied carbon in the materials it uses using conventional fired clay bricks.

It's a challenge that Marshall's takes seriously. In a sector where fired clay bricks dominate the landscape, concrete bricks have often been overlooked. But in our new low-carbon world they provide the only viable way of meeting our climate change obligations.

The carbon savings from concrete bricks are significant. The average house build uses 8,000 bricks and 91% of the 1.4 billion bricks used in UK housebuilding were made from traditional clay. In comparison, the environmental performance of a concrete brick is markedly different to a clay brick. In fact, 28% less carbon is produced in the manufacture of concrete bricks.



Concrete pipes

Concrete pipeline systems have a proven life of over 120 years in normal groundwater conditions. Concrete drainage pipeline systems are the most sustainable option available by providing a lower carbon alternative to plastic pipes.

A 2020 report by the [British Precast Drainage Association](#) stated that the Global Warming Potential (GWP) of a plastic pipe is up to 47% higher than an equivalent concrete pipe.

To ensure that Marshall's remains at the forefront of precast concrete drainage innovation, we have invested in state of the art machinery, moulds and equipment to ensure the very best in product design, manufacture and supply.

Concrete pipeline systems are manufactured from responsibly sourced materials and can be made using recycled aggregates and cement replacements. Due to the inherent strength and durability of Marshall's precast concrete products, they are highly abrasion and corrosion resistant and don't lose strength over time.



Landscape Protection

Marshall's Landscape Protection offers a new approach – a design, engineering and specification philosophy that enables highly effective protective and non-protective street furniture to blend seamlessly into urban landscape design.

Our developments in design, manufacture and technology negate the need for bulky and obtrusive products, enabling those who design our city spaces to think more creatively about how they can include street furniture within landscape design features. With an extensive collection of everything from bollards, planters and seating in various material options, available as crash tested or non-crash tested, the Marshall's Landscape Protection portfolio offers everything required to develop urban areas in terms of both public safety and aesthetic appeal.

Our range includes a number of sustainably manufactured street furniture ranges using FSC®-certified (FSC-C133609) hardwood and softwood timber from well managed forests and other controlled sources. We also have a number of ranges made using recycled plastic.





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.



2020 achievements

- 100% of employees exposed to modern slavery awareness training
- Business and human rights updates delivered to 349 employees involved in supply and demand chain management
- Cross-sectoral collaboration in India and multi-stakeholder programme in Vietnam
- Active engagement with key partners including the International Organisation for Migration and the GLAA

2021 priorities

- Human Rights RESPECT Programme
- Launch Everyone's Business app and launch SafeCall to overseas suppliers
- Engage with Traffik Analysis Hub
- Looking to adopt ISO 20400 Sustainable Procurement

Marshall's supports human rights as laid out in the Universal Declaration of Human Rights and we work diligently in all respects to support and uphold the UN Guiding Principles on Business & Human Rights.

One of the central pillars to all of our work to uphold human rights and eradicate modern slavery remains the implementation of the Ethical Trading Initiative (ETI) Base Code throughout our business operations and supply chains worldwide.

Marshall's long-running human rights programme is in place to ensure that we are not infringing upon the rights of others. To help us make good business choices and inform our human rights programme, we regularly analyse a wide range of global human rights data and information.

RESPECT programme

In 2021, we will be rolling out our new Business & Human Rights roadmap which charts what it is we need to do right now, in the wake of the pandemic, and makes clear where we want to be by 2030. Our focus for the immediate future is on 'building internal knowledge, confidence and RESPECT so that everyone can make good choices in support of human rights.' This aim will ensure the firm foundations that we need in order for all of our employees, suppliers and customers to play their part in upholding and supporting human rights. In our efforts to ensure 'better futures for everyone', including the most vulnerable and disadvantaged within our supply chains, we will deploy our RESPECT programme which addresses remediation, engagement, supply chain, processes, environment, collaboration and technology.



Collaborations

In the UK and overseas, we continue to actively engage with a wide range of external stakeholders through key initiatives and collaborations.

Marshall's was an original member of the UNGC Network UK Modern Slavery Working Group and continues to actively engage by sharing learnings and challenges. We also continue to work with the Gangmasters & Labour Abuse Authority (GLAA) Construction Protocol.

Marshall's Business & Human Rights Director sits on the Advisory Committee of the CCLA Find It, Fix It, Prevent It – a coalition of investors committed to promoting effective corporate action on modern slavery. A core part of the project is direct investor engagement with companies with the aim of driving better policies and processes for addressing slavery, and more effective action in terms of prevention and remediation.

In 2020, we have been active in Vietnam alongside our partner and UN agency, the International Organisation for Migration. The initial project sought to understand the modern slavery and human trafficking risk in the natural stone sector. The assessment findings have informed the design of an action programme to prevent and eliminate modern slavery and human trafficking, contributing to enhancing Marshall's global commitment to address the issues. COVID-19 has slowed implementation, but we aim to begin roll out in 2021 which involves enhanced training for our suppliers and an awareness programme in the local community.



Network UK





Human Rights continued

UK Focus

Crimestoppers

We understand that the private sector has an important role to play in the gathering of intelligence regarding modern slavery. Our engagement with Crimestoppers was based upon our own approach to leveraging the transport operations within our business to tackle modern slavery. Our aim was to share what we had learned, offer collateral and support, and to spark discussion. Together with Crimestoppers, we asked the construction sector to step up; to engage and equip their people with the knowledge to spot and report modern slavery and to come together with others in their sector to share their insights.

Power of Logistics

As a result of Marshall's Power of Logistics initiative, launched in 2018, which has seen all of Marshall's transport and logistics team trained to spot and report the signs of modern slavery, and the End Modern Slavery stamp and modern slavery helpline number clearly visible on our vehicles, we were approached by Crimestoppers to amplify this message as part of its national #slaveryonyourdoorstep campaign.



The focus was upon why transport and logistics operations, as the arteries of business, are uniquely placed to be the eyes and ears in terms of spotting and reporting modern slavery.

Two informative podcasts, presented by our Business and Human Rights Director and featuring experts, law enforcement and practitioner perspectives, looked in detail at the practicalities of spotting and reporting, how and why the transport sector might engage, why transport and logistics is key to tackling the issue of modern slavery both in the UK and internationally, and also the need for stronger legislation. Supporting this were a series of blogs and direct activity to engage with transport and construction sectors more broadly. Two of our own key suppliers, Tarmac and Hanson, embraced the Power of Logistics Initiative, and others in the sector have followed.

Bright Future

The Bright Future programme from the Co-op has been established and Marshall's now sits as a board member. Bright Future offers the opportunity of a paid work placement and a job to those who have been rescued from modern slavery. We remain committed to the programme which aims to offer placements and jobs to modern slavery survivors.



"Marshall's Power of Logistics campaign is a great example of how companies can help educate employees on the signs to spot modern slavery. By educating your workforce, you've empowered them to look out for others and ultimately report their concerns. We hope other companies will follow in your footsteps. Together we can help stop modern slavery."

Mick Duthie
Director of Operations
Crimestoppers Trust

CrimeStoppers.



Human Rights continued

Supply Chain Initiatives

Moving into 2021, our attention remains on the impact of the pandemic and escalating our work in support of human rights. We have new initiatives in place which will look to utilise tech in innovative ways. Sharing information and working with others to enable open communication in our supply chains is crucial. In this section, you can find out more about our involvement with Traffik Analysis Hub, our new Everyone's Business app, and the international roll-out of Safecall.



Supply chain developments

As the pandemic has now made it even more difficult to visit overseas supply chains, technology has an increasingly important role to play alongside our strong network of specialist partners, including the UN International Organisation for Migration and the ILO Child Labour Platform.

As well as working with Traffik Analysis Hub to develop its supply chain mapping capabilities, we're also implementing live supply chain monitoring through our Everyone's Business app, and also importantly making a whistleblowing hotline available to workers in our higher risk supply chains.

"I know big business to be ultra-smart and easily capable of considering both the impact on, and response to, those directly employed as well as those throughout its supply chain, but they can only do this from a point of knowledge and understanding."

Elaine Mitchel-Hill
Business & Human Rights Director



Everyone's Business app

Marshall's is accelerating the introduction of an innovative tech solution – Everyone's Business – to enable all employees to speedily flag any concerns regarding modern slavery, health & safety, ethical sourcing and the environment. The Everyone's Business app is concise and easy to use with quick read information on the local context and prompts on how to spot potential risk. The wealth of information generated from both our own UK operations and our suppliers and supply chains can be viewed in real time and acted upon promptly. Whilst there is an ongoing programme of activity devoted to helping suppliers provide decent working conditions and respect human rights, in addition many staff visit suppliers' sites and our own network of UK operational sites frequently. Everyone's Business captures their valuable views and perceptions.

Marshall's will be the first in the construction sector to use Everyone's Business. Our version of this technology is being adapted to include a geo-locate function – which is particularly important for our natural stone supply chains where quarries are always in very rural locations across the globe – and also to allow us to include all of our own business sites in the UK.



Safecall

In addition to both Traffik Analysis Hub and the Everyone's Business app, we are extending the use of the whistleblowing hotline, Safecall, to supplier operations in India, China, Vietnam, Portugal and Brazil. This will enable workers and other local stakeholders to report issues relating to the working environment and operations in a safe and secure way via phone and web.

Marshall's already has Safecall in place in the UK giving employees, contractors, suppliers and other stakeholders a voice, helping to enhance a culture of openness, and demonstrating that malpractice is taken seriously and dealt with at the highest level.

This additional overseas Safecall service will ensure that those within our supply chains have a voice and will provide yet more information upon which we can act decisively.

100%

of Marshall's' employees exposed to modern slavery awareness training



Human Rights continued

Traffik Analysis Hub

Traffik Analysis Hub

Marshall's has committed to being the first in the construction sector, and one of the first globally, to be a private sector participant in Traffik Analysis Hub.

Traffik Analysis Hub is a true collaboration across multiple sectors – law enforcement, third sector, finance, private sector, governments – all united by a common goal to prevent human trafficking and the harm that it does to individuals, communities, regions, countries, commerce and to humanity.

We absolutely recognise that technology has a unique role to play in disrupting human trafficking and that we can only increase transparency by sharing any information

that we have, working with a wide range of stakeholders and by developing a deep understanding of the contexts in which our supply chains sit.

Private sector must be at this table not only to gain greater insight into the context in which its business operations and supply chains take place, but also to contribute to the data in order to increase transparency. The Operation Fort Report, launched in 2020 by the IASC office, highlights the need for an intelligence-led collaborative response.

We're leading the charge from the construction sector, leveraging our extensive network and engaging with our sector and encouraging them to come to this table.



"Marshall's PLC, a pioneer in challenging exploitation and modern slavery in supply chains and as an early adopter of Traffik Analysis Hub, has invested in a joint development to map its supply chain in unique combination with Traffik Analysis Hub. This modelling is the new benchmark for business to ask smarter questions of suppliers and build intelligent remediation work."

Neil Giles
CEO
Traffik Analysis Hub



Human Rights continued

Understanding Risk

Understanding our modern slavery and human rights risks

Acknowledging, understanding and acting upon the salient human rights risks within our business operations and supply chains is the foundation of our human rights programme. We go to great lengths to understand not only the challenges which our suppliers may face, but also the context within which our suppliers operate and in which more broadly our supply chains sit. We seek to know both from within our supplier operations – inside out – and also the context – outside in. This approach has led us to be able to clearly identify risks and instances of modern slavery, and to work to rectify, and also to see the wider system change which is so badly needed in many high-risk geographies.

Here are some of the ways we seek information to assist and inform our approach:

- Verisk Maplecroft data analysis
- Traffik Analysis Hub supply chain mapping
- Our own Country Profiling which looks at information from different sources
- Children's Rights & Business Principles research
- Everyone's Business app live monitoring
- Safecall whistleblowing hotline

Human rights due diligence – know & show approach

In the wake of COVID-19 we have taken the opportunity to review and enhance how we engage with our suppliers regarding the issue of modern slavery. Our aim here is to understand fully where any risk may lie, to work with suppliers and supply chains to address it, and where appropriate to work either with others in our sector or across sectors to address more systemic issues. Our desire is to 'know' what our risks are and to be able to evidence and 'show' how we know and what we know; to share this information and any insights with other actors seeking to address the often complex issues. These systems and processes include working with our suppliers ranked by risk according to the best publicly available information, providing training on our Code of Conduct and the ETI Base Code, a rigorous process of suppliers completing the Slavery & Trafficking Risk Template, enhanced audit processes and procedures, and also a Modern Slavery Risk Assessment undertaken by an independent third party.

MSA Statement

Every year, Marshall's publishes a Slavery and Anti-Human Trafficking Policy and Disclosure Statement as well as a Modern Slavery Report which outlines the steps we have taken to ensure that slavery and human trafficking are not taking place in any of our supply chains or businesses. The report details the comprehensive programme of work Marshall's and its partners have developed to eradicate slavery and uphold human rights.





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

ETI Base Code

We have been members of the Ethical Trading Initiative (ETI) since 2006 and we abide by the ETI Base Code in the UK and in our overseas supply chains.

- 1 Employment is freely chosen
- 2 Freedom of association and the right to collective bargaining are respected
- 3 Working conditions are safe and hygienic
- 4 Child labour shall not be used
- 5 Living wages are paid
- 6 Working hours are not excessive
- 7 No discrimination is practised
- 8 Regular employment is provided
- 9 No harsh or inhumane treatment is allowed



2020 achievements

- Accreditation of BES 6002 Ethical Labour Sourcing
- Delivery of over 14,000 hours of training, with a focus on health and safety and employee wellbeing
- 99 apprenticeships
- Employee net promoter score of 7.6
- £183,000 raised for Macmillan Cancer Support

2021 priorities

- Impact review of children's rights programme
- Programme of work for the International Year for the Elimination of Child Labour
- Re-accreditation of BES 6002 Ethical Labour Sourcing
- Development of community relations programme
- Implementation of DERI strategy, focusing on diversity, equality, respect and inclusion

Children's Rights & Business Principles research

During late 2020 we commissioned an independent partner organisation to assess how our organisation impacts children in the UK, India, Vietnam and China.

The Children's Rights & Business Principles, developed by the UN Global Compact, UNICEF and Save the Children, provided the framework against which we were assessed.

We expect the results and recommendations to be shared with us during the second quarter of 2021. This important research will help to shape our activity moving forwards.

International Year for the Elimination of Child Labour

2021 is the International Year for the Elimination of Child Labour, and as member of the ILO Child Labour Platform we will be actively engaged in amplifying the work that we have been doing within the Indian sandstone sector in Rajasthan.

We understand that it is likely that as a result of the pandemic any gains made in eradicating child labour will have rolled back a decade; it's therefore extremely important and urgent that we work faster and harder in all respects.

Marshalls will be publishing a pledge in support of the International Year which will focus on specific actions regarding our employees, suppliers, customers and working with the ILO and peers at a national and international level.

We remain a committed and active member of the ILO Child Labour Platform and continue to engage in work in many developing countries.

Ethical Labour Sourcing

We are proud to say that we have achieved BRE Ethical Labour Sourcing Standard 6002 for the 5th consecutive year. This standard enables us to demonstrate to customers, partners and other stakeholders, Marshalls' commitment to eliminating any possibility of trafficking or modern slavery in our supply chain. It provides independent assurance that we have made a measurable commitment to managing ethical labour sourcing challenges in our company and supply chains.

Our Modern Slavery Statement KPIs provide the drivers and measures for our BRE ELS 6002 accreditation. As part of our work to engage with suppliers we ensure that they know about the ETI Base Code; including the owners, managers and workers. Our grievance hotline is also available to workers in five of our most challenging geographies regarding labour rights.





Labour continued

Equality and Diversity

Equality and diversity

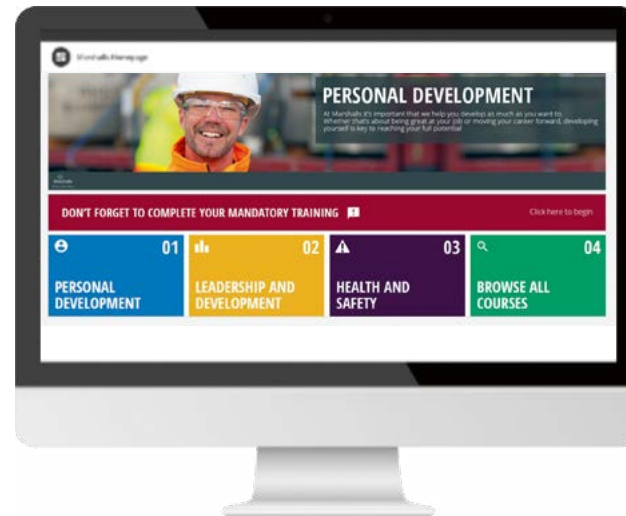
We're committed to the ETI Base Code, which states that no discrimination is practised. We reinforce this commitment by stating very clearly in our Marshalls Code of Conduct that we do not tolerate any kind of harassment, bullying or discrimination against anyone who works for us or with us.

In the manufacturing industry, where there are three times more men than women, we recognise the part we play in creating a better balance and have made diversity a priority at Marshalls. We are working with the UN Global Compact on our Target for Gender Equality, taking action to advance women's leadership and representation at Marshalls. We're also signatories of the Women's Empowerment Principles (WEPS) to further enforce our commitment to upholding these principles throughout our business and supply chains.

We're passionate about providing a supportive and inclusive environment for all Marshalls employees. An environment where everyone can bring their whole self to work. We have an Equality Taskforce in place, made up of people from across the business who help us shape our thinking and move forward on our Diversity, Equality, Respect and Inclusion (DERI) agenda. In 2021, we will be looking to set up a range of employee networks.

We're signatories of the Social Mobility Pledge, working hard to provide opportunities for people from disadvantaged backgrounds. We do this through coaching and mentoring, work experience, apprenticeships and open recruitment practices.

In our recruitment processes, we monitor our social media presence to ensure that our vacancy reach is as wide as possible and that we appeal across all parts of the communities in which we operate.



Leadership and development

Our comprehensive programme of development offers opportunities for everyone at Marshalls, from apprenticeships through to leadership skills. All Marshalls employees are supported in their learning and development through offline training, on-the-job training, and online training via our Marshalls Learning Zone.

Employee voice

In the UK, Marshalls formally supports Unite and GMB unions. In line with the ETI Base Code, Marshalls employees have the right to form trade unions of their own choosing and to bargain collectively. In the non-union represented areas of our business, we have an elected Employee Voice Group (EVG). This group of colleagues from across Marshalls help us to shape our people and business strategy. EVG meetings are attended on a rotational basis by different members of the Executive Team and Board. In each EVG meeting, there is an opportunity for free-form discussion on the issues that matter to our people.

**MACMILLAN
CANCER SUPPORT**



"While 2020 has been a challenging year, we continued to focus on our people agenda and drive positive and lasting change across the business.

We're always keen to hear what our colleagues have to say and provide a number of outlets to enable them to give feedback on all aspects of life at Marshalls. Through face-to-face discussions, Employee Voice Group meetings and our bi-annual Your Voice survey, we've listened to our people and made changes to the things that matter most to them. We've revised our wellbeing policy and strategy to provide a support and benefits package that will add real value to colleagues' lives. And, like other organisations, we've been looking at what the future of work looks like, particularly for office-based colleagues where we're creating more agile ways of working to allow employees to perform at their best.

Diversity, Equality, Respect and Inclusion (DERI) is a key part of our people agenda. We're looking at all aspects of our business – from recruitment throughout the employee lifecycle – to ensure we're creating an environment that attracts and nurtures talented people from all different walks of life.

We recognise that our business is underpinned by people and talent development, and I'm proud of what we've delivered in recognition of this so far."

Louise Furness
Group HR Director





Environment



The Group's CFO is the Board Director responsible for the 2020 environmental performance of the Group.

Our Environmental Policy and Energy & Climate Change Policy are approved by the Board and reviewed at least annually. As a business, we have redefined our sustainability policies to align to our business strategy and to ensure they are relevant and appropriate to our stakeholders. We expect all our suppliers, subcontractors, consultants and partners to identify and implement actions they can take to help us achieve our environmental targets.

Principle 7

Businesses should support a precautionary approach to environmental challenges

Principle 8

Undertake initiatives to promote greater environmental responsibility

Principle 9

Encourage the development and diffusion of environmentally friendly technologies



2020 achievements

- Carbon emissions targets approved by the Science Based Targets initiative
- 50% reduction in overall carbon footprint between 2008 and 2020
- 8,000 tonnes of CO₂e saved from green electricity
- Assessment of all sites for solar energy suitability
- Initiatives reducing plastic consumption by 35% since 2017

2021 priorities

- Installation of solar panels
- Setting an internal carbon price
- Development of Environmental Product Declarations (EPDs)
- Product carbon footprinting update
- Environmental risk profiling
- Reduction of mains water use
- Euro 6 standard for fleet



Marshall's' sustainable business model combines key business issues and key performance indicators with third party verification, legislation and industry standards including the Carbon Trust Standard, ISO 14001 for Environmental Management and ISO 50001 for Energy Management. We care about the natural world and we understand the potential impacts of our operations, products and services. We seek to protect the environment, prevent pollution from our operations and identify, understand and minimise significant environmental impacts where appropriate.



Environment continued

Risk Profiling

Science-based targets

Decarbonisation is a commitment that Marshalls takes seriously. By aligning greenhouse gas emission reduction targets, across all relevant scopes, with 1.5°C emissions scenarios, Marshalls is clear that positive action towards a net-zero future by 2050 makes business sense.

In 2020, we had our emissions reduction targets approved by the Science Based Targets initiative as consistent with levels required to meet the goals of the Paris Agreement. The targets covering greenhouse gas emissions from Marshalls' operations (Scopes 1 and 2) are consistent with reductions required to keep warming to well-below 2°C.

Marshalls fully supports the Task Force on Climate-related Financial Disclosures (TCFD) in line with the UK Government's expectation that listed companies should disclose as a mandatory requirement.

Environmental risk profiling

In 2020, Marshalls started using the Verisk Maplecroft system and data to assess risks related to climate change, at site and regional level. Marshalls' climate risk reporting, due in 2021, will identify environmental scores to enable us to mitigate climate change related risks in the UK and overseas. It will also enable us to assess the opportunities available to us to improve our processes and products.

Country Risk Analysis

Index scores for United Kingdom Marshalls Sites, 2020-Q4





Environment continued

Carbon and Energy

Highlight

50%

reduction in carbon footprint
since 2008

In 2020, Marshalls had its emissions reduction targets approved by the Science Based Targets initiative as consistent with levels required to meet the goals of the Paris Agreement.

Marshalls' Energy and Climate Change Policy confirms our commitment to reducing the energy and carbon impact of our business. Since 2008, we have reduced our carbon footprint by 50%.

In 2020, we re-baselined our targets (from a 2018 baseline) for Scopes 1 and 2. For Marshalls, Scope 1 refers to our fuel usage, including diesel, petrol, gas oil, LPG (liquified petroleum gas), kerosene and natural gas. Scope 2 refers to our electricity usage.

We commit to reduce Scope 1 and 2 greenhouse gas emissions

40%

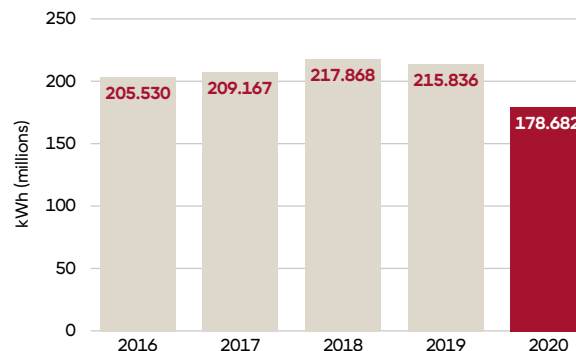
per tonne of production by 2030 from
a 2018 base year

As we switched to green electricity in 2020, we are reporting our Scope 2 emissions in two different ways - location based measurement which uses government emissions factors and market based measurement which uses supplier emissions factors.

Product carbon footprints

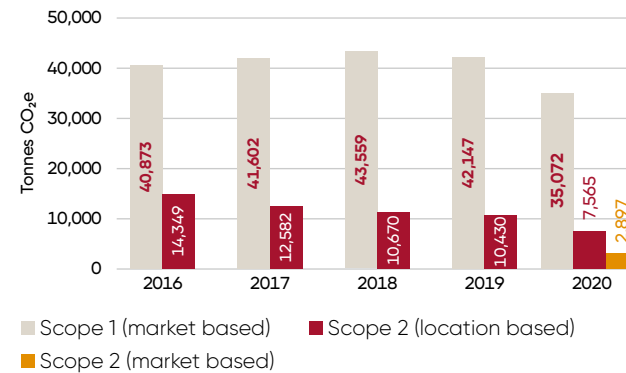
Minimising our carbon footprint is a priority for Marshalls and we've been leading the industry in this area for over a decade. Back in 2008, we instigated a project with the Carbon Trust to calculate the carbon footprint of all our products, using methodology which is now specified in PAS2050. We provide full "cradle to grave" product carbon footprints which is a calculation of all the carbon emitted in the product's lifetime, including material extraction, production, packaging, transport to site, energy in installation and use, and even end-of-life treatment. We believe this is the most honest and transparent measure to use, which helps our customers to understand the impact their projects will have on the environment. We first published product carbon footprint data in 2011 (the first in our industry to do so), we repeated the exercise in 2016, and we're updating the numbers again in 2021.

UK energy performance in kWh



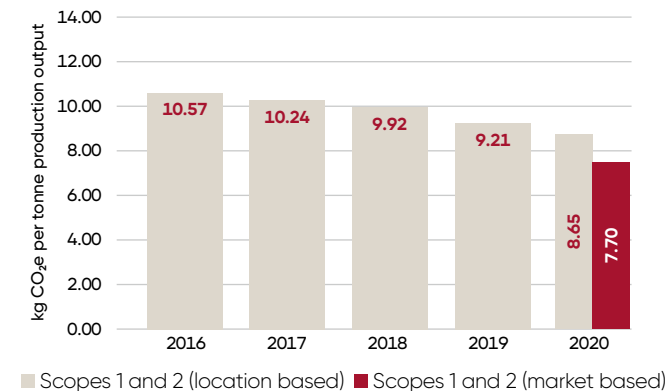
Absolute Scope 1 and 2 emissions

This chart illustrates the Group's UK absolute CO₂e emissions in tonnes, including transport activities, and energy use in kilowatt hours.



Relative Scope 1 and 2 emissions

This chart illustrates the Group's UK CO₂e intensity emissions as a proportion of production output, including transport activities.





Environment continued

Resource Use

Highlight

8,000 tonnes

of CO₂ saved from green electricity

Marshall's Energy & Climate Change Policy Statement details our commitment to improving efficiency and resource use. This is part of being a responsible business and ensuring we remain energy efficient.

Pollution

We're working to upgrade our fleet to Euro 6 standards which limit the exhaust of harmful pollutants and improve fuel economy. Our target is to have 100% of our fleet upgraded by 2022. We are also investigating different transport options for our product, and working to maximise efficiencies in our manufacturing processes, which includes automation and operational controls.

We have no non-transport emissions to air – this includes VOC (volatile organic compound) and SOX (sulphur oxides) emissions.

Fuel usage

We are focused on the removal of gas oil from fork lift trucks and heating to help reduce our carbon footprint and meet our science-based targets. We have also been investigating alternative fuels such as biodiesel, green LPG (liquefied petroleum gas) and wind energy. Projects are at the initial stages of research and we'll report on their progress next year.

Electricity from renewables

In 2020, Marshall's changed energy supplier and now has electricity generated from 100% renewable energy for all owned sites. This is just one of the many steps we have taken to reduce our carbon emissions.

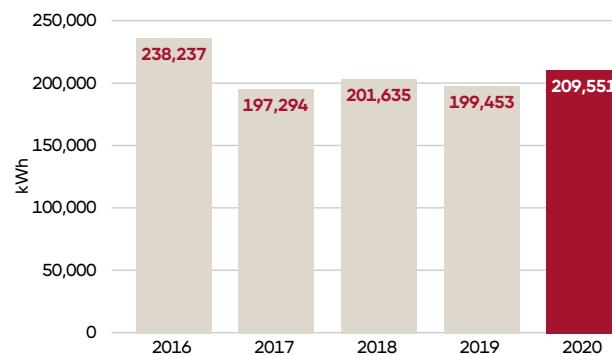
Solar energy

Our Sandy manufacturing site already has solar panels, which in 2020 generated over 200,000 kWh of electricity. All of Marshall's manufacturing sites have had solar energy assessments in order to evaluate potential for solar panel installation. We now have a target of undertaking one major solar panel project per year.

In 2021, our Sittingbourne site becomes the second site with solar panels, projected to generate 10-15% of the site's overall energy needs. The 250kw system will generate power for the next 25-30 years.

We have been engaging with local councils in the UK to look into potential solar energy projects and our new dual block plant project in St Ives has been designed to be compatible with solar energy supply.

Self-generated energy from renewables in kWh



"We've been making some great progress on carbon reduction and our aim is to get as much of our energy off grid as possible. A good example is the way we've been engineering gas oil out of the business by using cleaner fuels, which brings carbon, energy and cost benefits to the business."

Richard Capper
Group Carbon & Energy Manager



Environment continued

Water

Highlight

21%

reduction in mains water use

Water use

In 2020, water consumption across all sites reduced by 21%. Water use per tonne of production also decreased to 0.051 m³, just shy of our 0.050 m³ target.

0.051m³

water use per tonne of production

The figures reported are for mains water as only four of our sites withdraw water from bore holes, for which permits are held. We continue to reduce our water intensity through our commitment to harvesting and recycling water, and better collection of data.

Marshall's is continuing to roll out the installation of water automatic meter reading (AMR) in order to improve the data accuracy and frequency of monitoring of our mains water use leading to identification of potential savings. For the last 10 years, Marshall's has had no breaches of water limits.

Marshall's is committed to water harvesting and recycling at numerous sites and utilising quarry water where appropriate in our operations.

Water stress

Working to the Government's 2013 classification, developed by the Environment Agency and Natural Resource Wales, we have identified two sites within the Group (Sandy in Bedfordshire and Sittingbourne in Kent) which are located in areas of 'serious stress'. We do not abstract water in 'serious stress' areas and we have permits and consents in place, issued by the relevant regulatory bodies, to discharge trade effluent.

Our Sandy site operates a semi dry process so does not recycle or harvest water. Our Sittingbourne site operates a wet press manufacturing process so recycles and harvests water. Rain water is harvested off the roof of one of the production buildings and stored in an underground tank. This water is then used in the wet press manufacture process. All water used within the wet press department is recycled, with no water being discharged from that process.

In 2021, we will be revisiting areas of water stress by using environmental risk profiling for all Marshall's sites in the UK.

18,840m³

water used at sites in water stress areas

Flood alleviation

We strive to create a better environment for everyone, and use our expertise and experience to create attractive, safe and sustainable spaces which promote wellbeing.

Marshall's believes that flood alleviation products make an effective contribution to achieving this goal. Sustainable Drainage Systems (SuDS) provide an alternative approach to traditional piped systems, by mitigating many of the adverse impacts of storm water run-off on the environment in terms of both volume and pollutants.

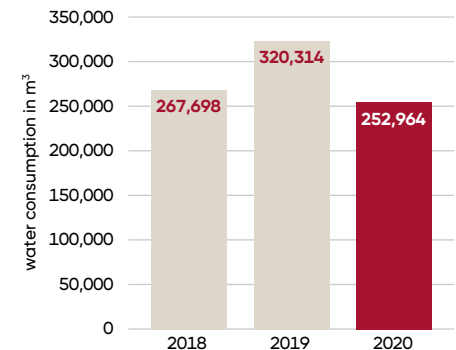
Every time there's a storm event in the UK, the permeable paving we've installed over the past five years is capable of holding back

322,000m³

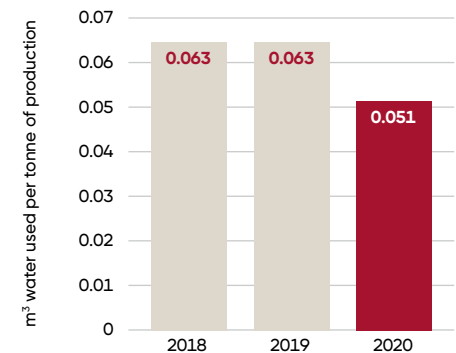
of water. That's enough to fill 192 Olympic swimming pools - or 8 million bath tubs



Water consumption



Water use per tonne of production





Environment continued

Waste Reduction

Highlight

33%

reduction in waste generated since 2018

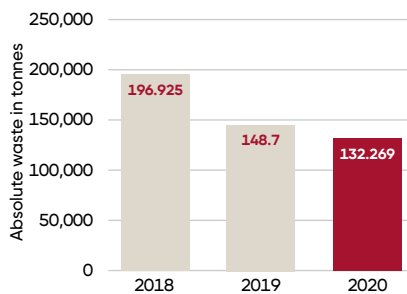
Waste and recycling

The business aims to eliminate waste and we continue to measure the amount of waste, including material for recycling, leaving sites as a percentage of total production output.

In 2020 the absolute waste total for the year has reduced by 11% to 132,269 tonnes. However as a result of the increase in primary production output, the percentage of waste taken off site also rose.

We maintain a high recycling/recovery rate of 99.2%, with waste sent to landfill equating to 0.8% of the total waste generated.

Absolute waste



This is largely due to continued engagement with our waste service providers and internal communications processes. As part of our process, we have regular meetings with suppliers, we have internal audits and we engage with sites to encourage recycling in order to be as efficient as possible.

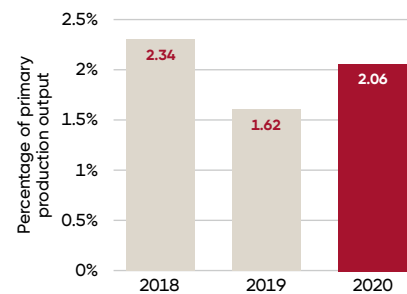
Our target for 2021 is to achieve a recycling rate of 99%

Hazardous waste

The generation of hazardous waste across the Group is generally limited to plant maintenance items such as used oils, filters and other components.

The hazardous waste generated in 2020 was 222 tonnes, an increase of 5%. The increase was due to a one-off site clearance following the closure of our Bleadon plant which involved the emptying of oil storage, and emptying silos and containers.

Waste taken off site as a % of primary production output



"As with all businesses, we are familiar with recycling and reusing. This has helped Marshall's reduce its waste to landfill to less than 1%. We as a business want to do more for our environment and move to the next level of waste reduction. By working within our business and with suppliers, we aim to reduce waste coming into the business and improve on our sustainable waste management programme."

John Davies
Health, Safety & Environmental Director



Environment continued

Logistics

Highlight

293

HGV drivers trained in transport health and safety

Marshall's uses its own fleet of Large Goods Vehicles (LGV) so fuel consumption has a significant business impact on our reporting of carbon emissions. We continue to place emphasis on replacing a large proportion of our fleet to ensure we remain fuel efficient.

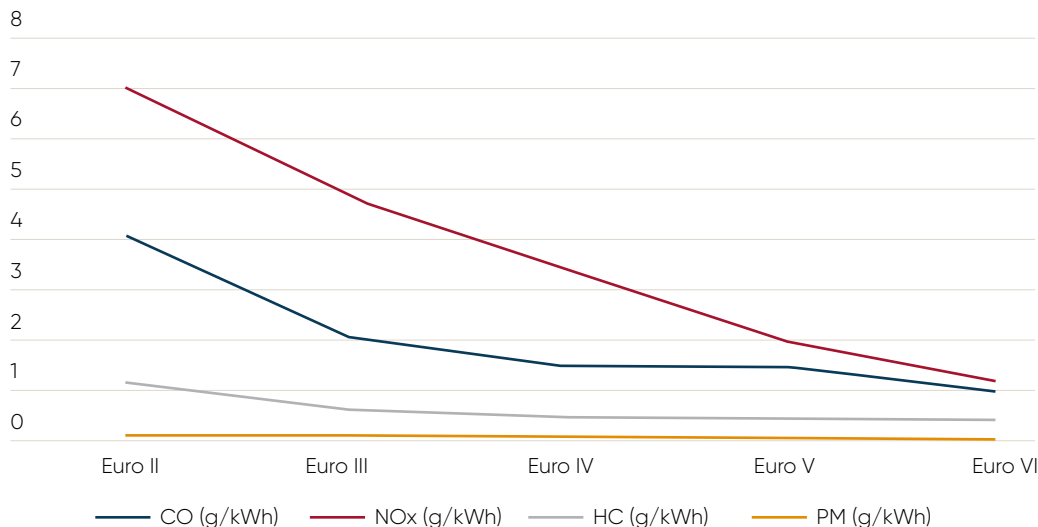
Euro 6 standards

The majority of our fleet now complies with Euro 6 standards, which limit the exhaust of harmful pollutants and improve fuel economy. We aim to have our entire fleet compliant with Euro 6 standards by 2022.

Driver training

As part of our commitment to carbon reduction, we have a rolling programme of driver training for Marshall's LGV fleet drivers. The SAFED (Safe and Fuel Efficient Driving) programme is made up of classroom and on-the-job training and promotes safer driving and more efficient fuel consumption. Refresher training is also offered to our drivers, with a focus on avoiding accidents and anticipating risks on the road. In 2020, we trained 293 HGV drivers on transport health and safety as part of our commitment to Driver CPC (Certificate of Professional Competence). This training included topics such as risk assessment, safe operating procedures and driver health and wellbeing.

Euro II to Euro 6 emissions



Marshall's plc
UNGC Communication on Progress and Sustainability Report 2020



"All our drivers are DVLA certified haulage drivers and they drive huge loads, often in urban environments. Some of our best driver training is out on the road. We even ask our drivers to hop on a bicycle for a few hours so they can fully appreciate what it's like to be a cyclist on the road near one of our moving trucks. Driver wellbeing is a top priority too. Tachographs record drivers' activity and our trucks are fitted with a small but functional mini-kitchen and sleeping area so our drivers are comfortable and able to eat well."

Ian Akister
Logistics Driver Trainer



Environment continued

Packaging

Highlight

35%

reduction in plastic packaging since 2017

Timber and plastic packaging is used at Marshalls to ensure safe handling, storage and transport of our products and to minimise product damage and waste.

We continue to concentrate on the reduction of timber and non-essential plastic. Essential plastic packaging is used to track batches, provide product information and protection, health and safety information, and instructions on installation. We also have to comply with the Construction Products Regulation mandatory requirement for CE marking products covered by harmonised European standards.

Marshalls reports packaging used which aligns with our duty to report under the Producer Responsibility Obligations (Packaging Waste) Regulations. In 2020, we used 12,693 tonnes of packaging (2019: 17,411) which is a significant decrease of 27%.

Timber reduction

Marshalls' Timber and Paper Procurement Policy Statement continues to support our commitment to obtain pallets from FSC certified suppliers where available. We continue to accept repatriation of pallets which reduces our timber impact. In 2020, we eliminated 15,000 pallets by working with our customers to remove them from deliveries. This equates to 600 tonnes of timber.

We have been running our timber pallet repatriation scheme for five years and to date, we have collected 105,000 pallets from our customers. Equating to 1,575 tonnes of timber, 95% of the pallets were reused.

All timber waste from our sites is collected, and where possible repaired and reused, or is recycled into other products such as animal feed and children's playground matting.

Our aim is to eliminate timber and non-essential plastic, where it is safe to do so.

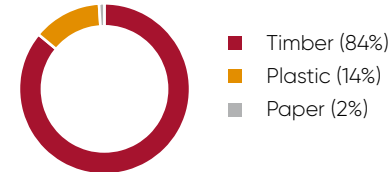
Plastic reduction

Over the last few years, we have engaged in a variety of plastic packaging reduction initiatives which have involved different teams within the business. The initiatives have resulted in reducing plastic consumption by 35%, equating to approximately 400 tonnes.

- Reducing plastic packaging on our products where it was safe to do so, by changing from full cover bags to ¾ on domestic products and just a small sash on certain commercial products.
- Significant reduction of the thickness on all remaining plastic packaging, which resulted in the additional advantage of reducing our gas consumption, without affecting pack integrity or branding.
- Consolidation of many specifications and pack sizes to reduce over-ordering and therefore wastage.
- Working with key suppliers to reduce plastic on items we purchase, such as unnecessary bags, plastic or bubble wrap.

Moving forward, more initiatives will be launched including new machinery at our dual block plant at our St Ives manufacturing site which will reduce plastic use.

Reporting packaging tonnage





Environment continued

Biodiversity

Highlight

14 years

partnership with the Royal Society
for the Protection of Birds

Quarry restoration

As a company developing and operating quarries, Marshalls adheres strictly to minerals planning and environmental legislation and seeks to provide quality quarry restoration where possible.

At our Shepley quarry in West Yorkshire, we are restoring part of the quarry to a community football pitch and facilities which will be provided for the local community.

In Southowram, also in West Yorkshire, we have been planting a diverse range of trees and shrubs, and developing areas of species-rich meadow as part of the restoration of the worked part of Pasture House Quarry.

Geodiversity

At our St Bees quarry, we are working closely with Cumbria County Council, the National Trust and Cumbria Geo-Conservation to develop a geological trail. We have installed some interpretation boards, provided old red sandstone blocks for viewing, whilst safeguarding some quarry faces of particular geological interest. We've also made improvements to the coast to coast long distance footpath which runs adjacent to the site.

Biodiversity net gain

In 2020, we have been looking into requirements for biodiversity net gain, as set out in the Environment Bill (2020), which requires developments to deliver a net 10% improvement in biodiversity value.

Working with the RSPB

In 2020, the relationship between the Royal Society for the Protection of Birds (RSPB) and Marshalls entered its 14th year. It has matured over this period beyond Marshalls' initial involvement in the International Nature after Minerals project back in 2007. In 2020 Marshalls registered six years as a key supporter and partner in the English Twite Recovery Project (ETRP). Twite are a small, brown finch whose population in England is now almost entirely restricted to the South Pennines in Yorkshire and Derbyshire. The ETRP is a partnership between the RSPB and Natural England intended to reverse the decline of this species. Marshalls continues to support this project.



Katie Aspin, RSPB Twite Project Officer, talking about the twite project and the relationship with Marshalls, said:

"Work on the Twite Recovery Project had to pause for a number of months in 2020 due to the pandemic but despite this, Marshalls have continued to support the project. Since work restarted in August, we have been able to plant Autumn Hawkbit plug plants as a twite food source in key areas, set up 14 twite feeding stations around the South Pennines (including one at Marshalls' Moselden Quarry), set up a trial to increase dandelion abundance (another key food plant for twite) and begin planning the monitoring of the South Pennines twite population this summer. This work wouldn't have been possible without the support from Marshalls and we are very grateful for their continued commitment to the project so that we can continue to work towards conserving twite in England."



Anti-Corruption



Being a responsible business means doing the right things, for the right reasons, in the right way. That's The Marshall's Way.

Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery

2020 achievements

- Marshall's Code of Conduct launch and training programme
- Active promotion of Safecall to employees

2021 priorities

- Roll out of Safecall internationally
- Steps to ensure 100% of employees are trained on Code of Conduct



Code of Conduct

At Marshall's, we've worked hard to build a culture of trust. In 2020, we formally launched our Code of Conduct. The Code covers different areas of our business and demonstrates our commitment to creating better spaces for everyone, including the way we do business and our stance on anti-corruption.

Ethical Risk Index

In the Natural Stone sector, Marshall's has developed the Ethical Risk Index (ERI). Using a bespoke, independently reviewed scoring framework, we are able to see the multi-dimensional ethical challenges facing stone procurers in order to enable more informed decision making.

One of the ERI measures is Corruption & Bribery, which is a measure of a supplier's awareness, understanding and implementation of standards on corruption and bribery. The highest level of compliance would be the supplier prohibiting these activities with documented evidence including such things as "whistleblowing" procedures.

Anti-bribery and corruption

Based on the UK Bribery Act 2010, our Anti-Bribery Code sets out our definition of bribes and the different ways bribes can be evident in business. We also have a Serious Concerns Policy which is based on our commitment to creating a working environment where everybody feels able to raise legitimate concerns about any wrong-doing without fear of criticism, discrimination or reprisal.



Training

Bribery and corruption are covered comprehensively in our online Anti-Bribery Training module on the Marshall's Learning Zone. In order to achieve the training, learners have to pass a quiz and confirm they have read and understood our range of anti-bribery and anti-corruption policies and codes.

Safecall

In the UK, we continue to actively promote Safecall – our independent whistleblowing service which enables any of our people, contractors, suppliers and other stakeholders to raise their concerns. So far, we have promoted Safecall with posters at offices and sites, an internal communications programme, inclusion in the Code of Conduct training and pocket guides, and in our staff magazine. 2021 will see the roll out of Safecall internationally.

Accreditations

Accreditations and Verifications

Our approach to sustainability is underpinned by our belief in doing the hard work in the areas that are material to our business and our stakeholders, by working with organisations which are leaders in their fields and by getting external validation.



Marshall's is certified to the **Carbon Trust Standard** and our approach to the Energy Savings Opportunity Scheme (ESOS) legislation was to define our energy management in compliance with the international standard for energy management, ISO 50001:2018.

We are a **FTSE4Good** constituent and continue to voluntarily disclose data to **CDP (Carbon Disclosure Project)**. This disclosure includes our wider carbon management performance over time and also provides an insight for stakeholders regarding our energy, carbon and climate change impact management programme. Our 2020 submission for 2019 data scored a B.

In 2020, Marshall's had its carbon emissions targets approved by the **Science Based Targets initiative**.

In 2011, Marshall's became a world leader in Product Carbon Footprinting, working with the Carbon Trust to calculate (and publish) footprints for over 2,000 products according to methodology specified in PAS2050. We updated the data in 2016 and are updating the information once again in 2021.

Marshall's has retained its **Constructionline Gold** Membership in 2020. Being a Gold Member means we meet the PAS 91 and Common Assessment Standard and pre-qualify across core modules required by public and private sector buyers. In addition, we have achieved **SafeContractor** accreditation, which is also PAS 91 aligned. This SSiP (Safety Schemes in Procurement) accreditation collects and verifies information across health, safety, financial and ethical practices including modern slavery and anti-bribery.

In 2020, we were again awarded Charter Member status as part of the **Precast Sector Sustainability Charter** from MPA British Precast, for passing the requirements of the annual sustainability audit.

During 2020, the Group maintained its certification to the Building Research Establishment (BRE) **Responsible Sourcing Standard BES 6001** for its concrete paving and walling products and UK quarried natural stone paving and masonry. The products have all been rated as 'Very Good'. We also maintained our accreditation to **BES 6002 for Ethical Labour Sourcing** for the 5th consecutive year.

The quantification and reporting of Marshall's' environmental data (carbon, energy, waste and water) has been **independently verified** by the internationally recognised BSI against Marshall's' criteria of 5% accuracy. The verification activity has been carried out in accordance with ISO 14016:2020 and applied a limited level of assurance. The full report can be found on our website.

We have a range of **auditing processes** within the business. CLM Fleet Management conduct transport audits and our environmental data is audited by BSI. Marshall's' Carbon & Energy Manager is the business' lead auditor to ensure compliance to ISO 50001:2018.

To ensure that the **ETI Base Code** is implemented and embedded within our operations and supply chains, we have social auditors in India, China and Vietnam. Their role is to check that the Base Code is being upheld and to report any concerns or violations so that we can take any necessary action.

All data in this report is correct at time of publication.



Engagement

Bodies we work with

It's important for us to work collaboratively with others in our sector in order to learn, share best practice and engage in wider sustainability discussions. We also work closely with partners who share our goals as well as organisations which provide us with external validation for our work.

Who we work with	Their position on sustainability	How we engage
Logistics UK (formerly Freight Transport Association) and LERS (Logistics Energy Reduction Scheme)	Engagement with government and stakeholders on both the opportunities and barriers to achieving a more sustainable logistics industry. LERS is an industry initiative which aims to record, report and reduce carbon emissions from freight transport.	Membership of Logistics UK and report annually on carbon emissions.
Sustainable Concrete Forum	A collaborative industry initiative aimed at reducing the environmental impacts of the industry, including the Concrete Industry Sustainable Construction Strategy.	Founders and members, active engagement.
Mineral Products Association (MPA) and British Precast	Trade association whose vision is 'to be valued as an essential and economically, socially and environmentally sustainable industry of significance to the economy and our way of life'. Strategic priorities include health & safety, people, resource use, climate change & energy, natural environment, built environment and communicating industry value.	Active membership of appropriate British Precast committees, including attendance at the Sustainable and Environmental committee and the Biodiversity, Nature and Conservation committee.
Construction Industry Research and Information Association (CIRIA)	Facilitation of collaborative activities that help improve the industry, including sustainability and the built environment and flood risk management. Also includes Susdrain, an independent and authoritative platform for those involved in delivering sustainable drainage.	Marshalls sits on Susdrain, CIRIA's SuDS (sustainable drainage systems) group.
British Precast Drainage Association	All members have signed up to the exacting standards of the Raising the Bar programme which is designed to ensure that all members achieve minimum standards of health & safety and meet sustainability targets whilst providing customers with exceptional technical support and first class customer service.	Membership and active engagement in projects including the promotion of health & safety, sustainability of concrete and reducing carbon.
Construction Products Association (CPA)	Leading organisation representing and championing construction product manufacturers and suppliers with objectives including advising government and manufacturers on solutions for lowering emissions and increasing resource efficiency.	Representation on appropriate CPA committees, including the Sustainability Policy Group.
MPA UK Concrete	Part of the MPA and set up to support the UK's concrete industry, with a commitment to being part of a net zero carbon society.	Attendance at the UK Concrete Steering Group and the Sustainable Construction group.
Carbon Trust	Expert partner supporting businesses, governments and organisations in realising ambitious plans for a sustainable, low carbon future. The Carbon Trust believes that environmental sustainability and economic prosperity can go hand-in-hand as we address the climate crisis.	Collaboration on carbon footprint project and certification for Carbon Trust Standard.
UN Global Compact Network UK Working Groups	The network promotes practical sustainability leadership, shares knowledge across sectors, and actively shapes the responsible business environment.	Marshalls sits on the Modern Slavery Working Group and the TCFD Working Group to share information and learning.
Supply Chain Sustainability School	The school provides a free to use online training portal for the construction industry with the objective of raising the awareness and understanding of sustainability issues.	Membership (intermittent in 2020), engagement with groups such as the climate action group, and sharing best practice in CPD sessions.

Stakeholder Engagement

Marshalls would like to thank all of the stakeholders who had input into this report, namely Marshalls' employees, customers, suppliers and partners.

If you would like any information on where to find specific information or to give us some feedback, please contact us.



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