

End Modern Slavery

**Marshalls Slavery and Anti-Human Trafficking Policy
and Disclosure Statement**

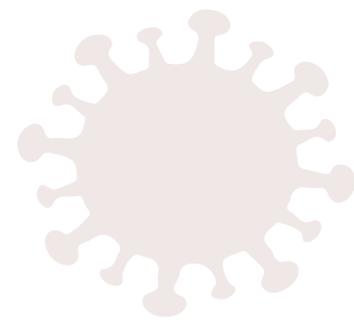
2020



Marshalls

Creating Better Spaces

Covid-19



COVID-19 IMPACT & RESPONSE

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 suppliers. These measures included putting in place robust health and safety measures to keep employees safe, clearly and consistently communicating with our teams about the fast-changing impacts and implications, safely continuing to deliver urgent construction products and materials to NHS sites, including NHS Nightingale North West, donating as much PPE to the NHS as we were able, staying connected with our key suppliers to understand the impact of the crisis upon their operations, maintaining order levels and importantly continuing to pay suppliers – in some cases in advance to ease the immediate financial impact upon them.



Ensure the highest levels of health and safety for our team.



Safely maintaining product delivery to the NHS.



Donating as much PPE as we could to the NHS.



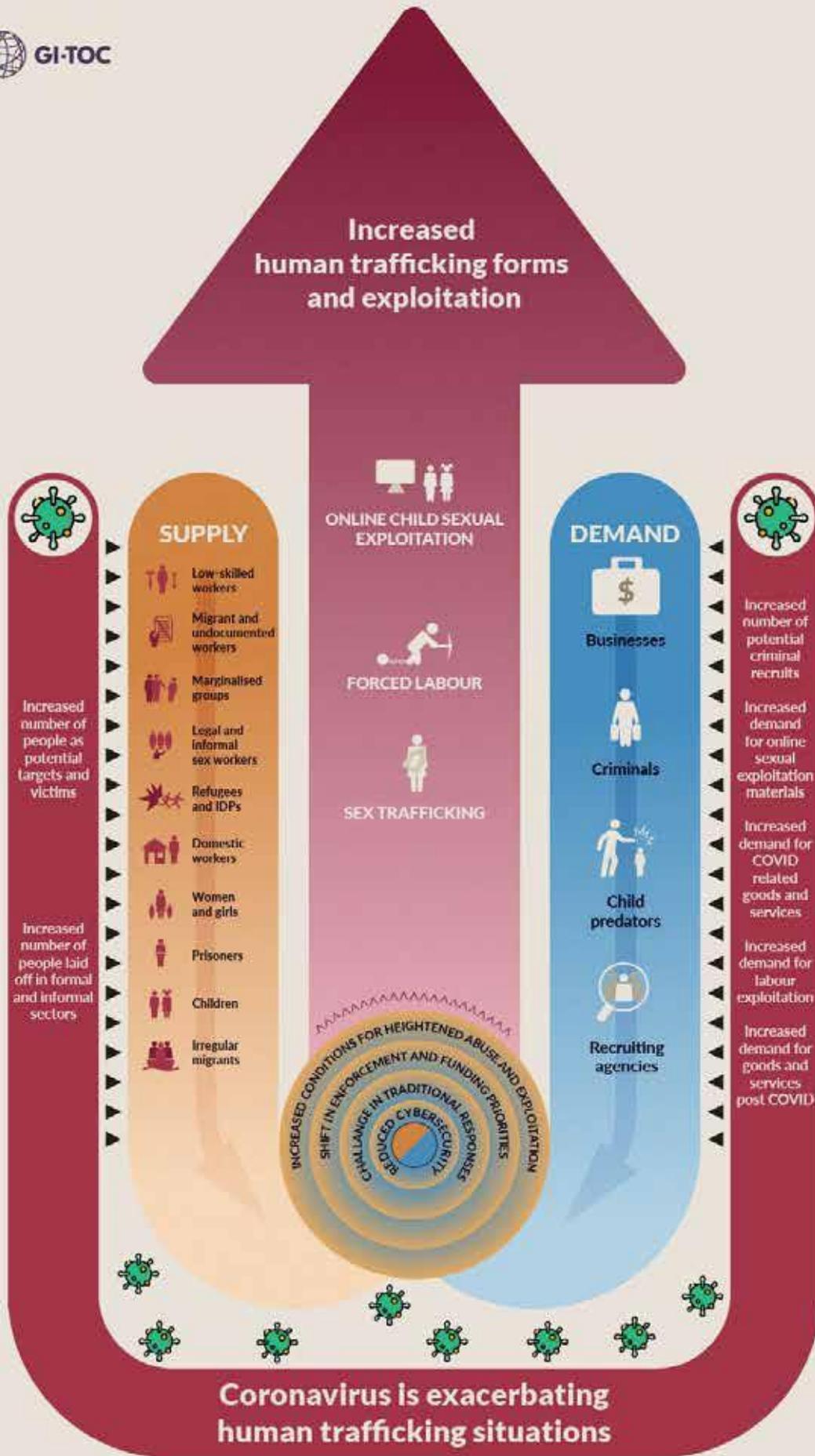
Maintaining order levels, continuing to make payment and in some cases paying in advance.



“Our focus on business and human rights remains as strong and bright as ever and the intersection between human rights and environmental degradation is stark; ‘we know that hidden crimes of slavery and environmental destruction are not just inextricably linked but mutually reinforcing and reach around the planet. We understand that to save our planet we have to fight slavery, and that to end slavery we have to protect our environment.’ (1) Our continued action in this space is also sharply focused by the pandemic, and we understand that whilst protecting people’s lives is the priority, protecting livelihoods will help us to do it.”

Martyn Coffey, CEO, Marshalls plc

1 Kevin Bales, Blood & Earth: Modern Slavery, Ecocide and the Secret to Saving the World, pg. 242



Impact of Covid-19 on human trafficking forms and exploitations

Source: Global Initiative Against Transnational Organised Crime Report, Aggravating Circumstances: How Coronavirus Impacts Human Trafficking

Covid-19

MARSHALLS RESPONSE IN TERMS OF MODERN SLAVERY

We have taken the opportunity to publish our annual Modern Slavery Statement a month later than we would normally in order to undertake 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 United Nations 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. This work is ongoing, but what we can share is that we have brought forward programmes that were in the pipeline for later in 2020.

TRAFFIK ANALYSIS HUB

Marshalls has just 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 recent Operation Fort Report*, launched recently by the IASC office highlights the need for an intelligence led collaborative response. It's time to gear up, shake up the approach, collaborate, share and learn in new and superfast ways. 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.

"Marshalls instantly saw the both the enriched global picture of the complexities of modern slavery and human trafficking, and the potential for enhanced transparency which Traffik Analysis Hub makes possible. Marshalls has already connected us with potential partners and collaborators both here in the UK and overseas and will add immensely to our programme in India. This is a company which has walked the supply chain back to raw materials, understands the issues and also the need for all actors to be engaged, sharing information and working together to drive traffickers out of business. I am delighted to have Marshalls on board."

Neil Giles, CEO, Traffik Analysis Hub

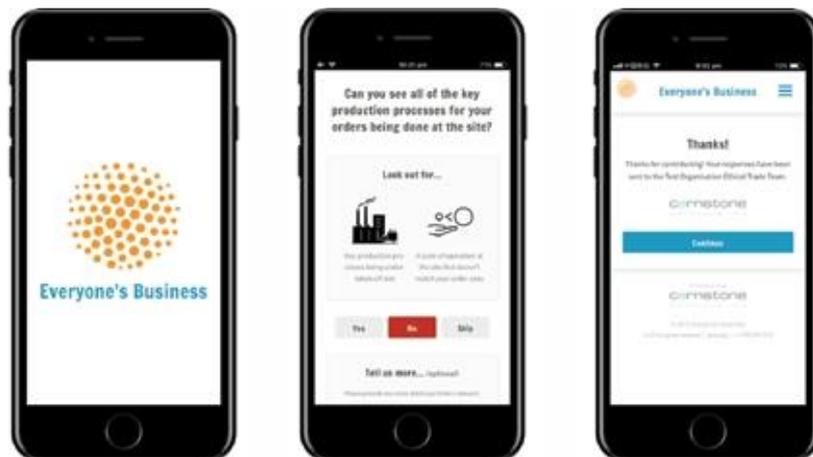
*Source: <http://www.antislaverycommissioner.co.uk/news-insights/launch-iasc-review-on-operation-fort/>

EVERYONE'S BUSINESS APP

Marshalls 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 with 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.

Everyone's Business is currently being used successfully by four leading UK retail brands, and a version for the pharmaceutical industry is in the advanced stages of development. Marshalls will be the first in the construction sector to use this technology and our version of Everyone's Business 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.



"We are driving hard to ensure that human rights is 'everyone's business' at Marshalls – very much like the health and safety message within our business. The accelerated introduction of this app, the training of our employee base in its use, both in the UK and overseas, will give us insights that we simply haven't had before, and the kind that cannot be captured in more formal audit processes. This information will sit alongside other high quality sources of information giving us an enhanced view of both our own business operations here in the UK, and of our global supplier base and supply chains. We will have increased knowledge at speed which will allow us to act promptly and to further enhance our understanding of areas of risk."

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

Covid-19

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 & 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. Marshalls already has Safecall in place in the UK giving employees, contractors, suppliers and other stakeholders a voice; helping to enhance a culture of openness, demonstrating that malpractice is taken seriously and dealt with at the highest level. This additional overseas service will ensure that those within our supply chains have a voice and will provide yet more information upon which we can act decisively.



Speak Up

Security, Corruption, Health & Safety, Harassment, Fraud, Unethical Conduct

If you have a serious concern over wrongdoing at work:
Report it to your line manager or HR, or speak to a senior manager, or contact Safecall

0800 915 1571
or report on line at:
www.safecall.co.uk/report

All calls are treated confidentially by Safecall and you may remain anonymous if you wish.

safecall
A totally independent organisation working with
Marshalls
Creating Better Spaces



2020/21 KPIs



Develop strategic collaborations/partnerships/initiatives to identify, prevent and mitigate human rights abuses in Marshalls own business operations and supply chains, to build capacity/engagement/collaboration in the wider construction sector, and seek to make a societal net positive impact.

- Engage with governments and government agencies both in the UK and overseas to share knowledge, agree root causes, overcome challenges and raise awareness of international supply chain transparency standards, and engage in long term capacity building partnerships.
- Continue to actively engage in the Bright Future programme – now as a founding member of the Bright Future Co-operative – offering placement and recruitment opportunities to survivors of modern slavery.
- Continue with the multi-stakeholder programme in Vietnam; lead by the IOM.
- Maintain our active engagement with ILO Child Labour Platform.
- Actively seek the expansion of Marshalls Power of Logistics Programme by engaging other businesses with significant logistics operations.



Implement appropriate remediation and support programmes for victims of modern slavery identified within the organisations operations and supply chains.

- Have in place a solid and appropriate process of remediation and support for 72% of the supply chain identified as high risk by volume of product; from India and Vietnam.
- Continue to develop and implement a forced labour/modern slavery identification and remediation processes in Marshalls UK business operations, and in supply chains in India, Vietnam & Europe.



Overhaul and further improve the organisation's supply chain due diligence, internal and external ethical auditing programme and modern slavery risk mapping assessment processes – using this process to embed human rights as 'everybody's business' within Marshalls - in order that instances of modern slavery can be identified, remedial action undertaken, and the victims supported and that all of this is transparently reported.

- Continue to publish annually modern slavery country risk mapping profiles for 100% of sourcing countries.
- Enhance internal processes and procedures, for 68% of all supply chains (by volume) identified as high risk, which allow Marshalls to effectively assess actual and potential human rights risks and the effectiveness of ETI Base Code implementation in its business operations and global supply chain.
- Develop and implement human rights monitoring, reviewing and reporting processes; report transparently on all efforts to respects human rights and prevent forced labour/modern slavery and utilise to inform business decision making, due diligence processes and improve conditions for workers'



Report, as appropriate, on our efforts and effectiveness in helping to ensure that modern slavery and human trafficking is not taking place in our business or supply chains including our due diligence processes.

- Reporting/identifying instances of modern slavery in our business operations and supply chains.
- Intelligence shared with law enforcement, GLAA, GLAA Construction Protocol, Anti-Slavery partners, Traffik Analysis Hub and others.
- Reporting in line with our participation in the Dutch/ Flemish Trustone responsible sourcing initiative.
- Producing our annual Modern Slavery Statement as required by UK law.
- Producing our annual Country Sourcing Risk analysis.
- Producing our annual End Modern Slavery Report detailing our activity/progress.



Continue to develop our supplier communication and verification programme which allows Marshalls to engage with suppliers on a deeper level regarding the implementation of its Modern Slavery Act commitments.

- Continued implementation of Marshalls supplier engagement programme: ProActis Supplier Management Platform, including BRE 6002 assessment process.
- Supplier education partnerships with 100% of those identified as high risk through our modern slavery risk mapping processes and supplier engagement programme.
- Proactive modern slavery education programmes with those suppliers who have identified issues or expressed concerns.



Maintain consistent delivery of a modern slavery & human trafficking awareness raising programme with key stakeholders.

- Ensure that 100% of employees are exposed to modern slavery training; how to spot the sign and how to report safely.
- Ensure that all inductions for temporary labour include modern slavery training.
- Work with our temporary labour provider/s to ensure compliance to our code of conduct and appropriate legislation; ensure full engagement with the modern slavery agenda backed up by robust processes and procedures.
- Post Covid-19 re-launch our internal enhanced Modern Slavery Ambassadors programme.
- Ensure that key individuals involved in supply and demand chain management continue to receive additional training regarding modern slavery and human trafficking.

Marshalls Slavery and Anti-Human Trafficking Policy and Disclosure Statement

The Marshalls group of companies (which includes Marshalls plc and its direct and indirect subsidiaries, referred to in this Statement as “Marshalls”), wherever it operates around the world, is committed to conducting business with honesty and integrity; in treating all people with dignity and respect and in complying with applicable laws, regulations and treaties. Marshalls is also committed to protecting and promoting human rights globally. Marshalls does not tolerate child labour, forced labour, including prison labour, or any use of force or other forms of coercion, fraud, deception, abuse of power or other means to achieve control over another person for the purpose of exploitation.

Marshalls respects international principles of human rights including, but not limited to, those expressed in the UN Declaration of Human Rights, the UN Guiding Principles on Business & Human Rights, United Nations Global Compact Principles, Children's Rights and Business Principles, Women's Empowerment Principles and those principles contained within the UK's Modern Slavery Act 2015. These principles and commitments are now embodied in Marshalls' Supplier Code of Conduct. This can be accessed via the information guides section of our publications library at www.marshalls.co.uk/sustainability/publications

Marshalls complies with the employment laws of every country in which it operates and expects those with whom it does business to do the same. Marshalls also complies with national and international laws governing issues of supply chain management and expects those with whom it does business to do the same. M-Way specifies supplier obligations regarding modern slavery and human trafficking.

During the past 12 months Marshalls has:

- Continued to ensure that 100% of its employees are exposed to modern slavery awareness training; how to spot the signs, how to report and a clear understanding of Marshalls stance and our approach regarding remediation for victims.
- Maintained and worked with our 7 internal modern slavery ambassadors to further embed this work within the business.
- Ensured that the 349 employees directly involved in supply and demand chain management receive ongoing updates regarding business and human rights, and specifically modern slavery.
- Worked to ensure traceable supplier communication and verification systems confirming acceptance of our Code of Conduct which includes international modern slavery legislative requirements.
- Continued to deepen our working relationships with key suppliers in higher risk geographies, and to work to raise international standards regarding modern slavery and human trafficking – by working with suppliers, UN agencies, UK government, overseas governments and business agencies such as chambers of commerce.
- Worked with the International Organisation for Migration on key assessments in Vietnam.
- Continued to provide intelligence to law enforcement in the UK, including the GLAA, local law enforcement and via the Modern Slavery Helpline.
- Continue with our Power of Logistics transport and logistics initiative within our logistics operations resulting in increased reporting.
- Continued to actively engage in the delivery of a cross-sectoral programme in India with the ILO Child Labour Platform.
- Actively engaged in the GLAA Construction Protocol Platform and worked with the GLAA to develop an extension of its work to include materials and products.
- Again published our modern slavery risk mapping for 100% of our business operations and supply chains.
- Undertaken supply chain mapping for 70% of the highest risk supply chains, by volume.
- Continued an independent assessment which covers 40% of the supply chain identified as high risk, by volume.
- Have in place a process of remediation and support for 60% of supply chains identified as high risk, by volume of product.
- Continued to actively engage with UK and overseas governments to address root causes of modern slavery.

All of this activity is documented in our 2020 End Modern Slavery Report.

The UK Modern Slavery Act 2015 requires Marshalls to disclose annually online, as a minimum, the following:

- I. The organisation's structure, its business and its supply chains;
- II. Its policies in relation to slavery and human trafficking;
- III. Its due diligence processes in relation to slavery and human trafficking in its business and supply chains;
- IV. The parts of its business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps it has taken to assess and manage that risk;
- V. Its effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate.
- VI. The training available to its staff involved in supply chain management and employees throughout the rest of the organisation.



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“Marshalls’ fifth Modern Slavery Statement has full board approval and its wholehearted commitment to continue to lead the sector in demonstrating what can be done when an organisation fully engages with the spirit of the act and not just the letter of the law. Our entire business continues to work hard to make Marshalls business operations and supply chains worldwide as toxic as possible to the organised criminals and those who seek to exploit vulnerable individuals, and also corporations. Our message remains strong; there is simply no place for modern slavery here.

Our focus on business and human rights remains as strong and bright as ever and the intersection between human rights and environmental degradation is stark; ‘we know that hidden crimes of slavery and environmental destruction are not just inextricably linked but mutually reinforcing and reach around the planet. We understand that to save our planet we have to fight slavery, and that to end slavery we have to protect our environment.’ (1)

Marshalls’ entire team is engaged. We’re well informed, well connected and unafraid to transparently report and share what we find. We believe firmly that human rights are everybody’s business; in fact we know it to be true, and we know that this means not just here in the UK where our business operations are, but overseas in our global supply chains. You will see from our raft of modern slavery information and our long-standing collaborative efforts and commitments that we’re absolutely serious about knowing all that we can about where there are risks and to taking appropriate action. This Modern Slavery Statement is part of a suite of information, all published transparently online, about our activities to implement section 54 of the Modern Slavery Act; Marshalls End Modern Slavery Report 2020 and Marshalls Modern Slavery Risk Mapping 2019.”



Martyn Coffey, CEO, Marshalls plc
7th July 2020

I The organisation’s structure, its business and its supply chains:

Marshalls’ sustainability business model incorporates the organisation’s commitments as a United Nations Global Compact (UNGC) signatory. The three pillars of sustainability; economic, environmental and social, continue to provide the focus for our activity. These are underpinned by the UNGC principles of human rights, labour, environment and anti-corruption. We continue enthusiastically and relentlessly to use our leverage wherever we can towards contributing to achieving SDG 8: Decent Work and Economic Growth. Our brand values of leadership, excellence, trust and sustainability empower employees to ‘do the right thing’ by leveraging sustainability to drive competitive advantage for our business.

The organisation’s ongoing inclusion, for over twelve years, in the FTSE4Good Index, designed to measure the performance of companies demonstrating strong environmental, social and governance practices, is vindication of Marshalls’ continual efforts to meet and seek to exceed globally recognised corporate responsibility standards.

(1) Kevin Bales, Blood & Earth: Modern Slavery, Ecocide and the Secret to Saving the World, p242.

The following illustrates how we operate and seek to add value:

Strategic report

Business Model

How we do business

Our business model is constantly developing through collaboration with customers and feedback from stakeholders. Our customer-focused investment in digital technology is transforming the customer experience and advancing the business model.

Our capital

Financial

- Strong balance sheet and a conservative capital structure
- An efficient portfolio of bank facilities, with extended maturities, provides prudent headroom

Business

- National coverage and sustainable operations across a national network of manufacturing sites
- Long-standing relationships with customers and suppliers and a diverse product range covering a number of end markets

Intellectual

- With over 130 years' experience we have a reputation built on transparency and long-standing core values
- Marshalls is a Superbrand underpinned by efficient, well-invested plants with high skills and expertise
- We focus on innovation and strong R&D and NPD

Natural resources

- Marshalls has extensive reserves of UK natural stone
- Strong supply chain relationships ensure the ethical sourcing of natural stone from India, China and Vietnam

Human

- The Group has an experienced workforce of 2,816 employees with specialist skills and a high level of engagement

Technology

- We are accelerating the development of our digital strategy to enhance service and the overall customer experience, and to improve operational efficiency and communication

Social and relationships

- We have strong stakeholder relationships through constructive dialogue with local authorities, industry bodies and regulators
- Our stakeholder relationships are underpinned by a focus on responsible business which is a key part of the Marshalls culture

Our business



Sourcing

The Group's main raw materials are cement, sand, aggregates, pigments, fuel oil and utilities. We use the best materials we can source.

Related risks

- Macro-economic and political
- Security of raw material supply
- Cyber security risks
- Environmental
- Ethical
- Climate change



Distribution

Due to the scale of our operations, and our national network of regional centres, 97 per cent of our customers are less than 2 hours away. This continues to be a key competitive advantage.

Related risks

- Macro-economic and political
- Road infrastructure
- Cost inflation
- Environmental
- Climate change



Manufacturing

The Group manufactures and supplies landscape, driveway and garden products from a range of materials, principally concrete and natural stone. Marshalls has a world-class Manufacturing, Innovation and Development team.

Related risks

- Competitive activity
- Threat from new technologies and business models
- IT infrastructure
- Legal and regulatory



Customers

Our customers range from Domestic homeowners to Public Sector and Commercial. We seek to exceed the expectations of customers in all our end markets.

Related risks

- Macro-economic and political
- Weather
- Cyber security risks
- Competitor activity
- Legal and regulatory

The Marshalls Way

Strategic objectives:

-  Shareholder value
-  Sustainable profitability
-  Relationship building
-  Organic expansion
-  Brand development
-  Effective capital structure and control framework

Outcomes

Shareholders

Progressive dividend policy, targeting 2 times dividend cover supported by non-recurring and discretionary dividends

Dividend per share

18.35p

Customers

Industry leading customer service – innovative new products, quality, availability and “on-time” delivery

Customer service index

98%

Employees

Promotion of professional development, career opportunities and competitive benefit packages

Active apprenticeships in 2019

50

Suppliers

Global supply chain, long-term and mutually beneficial partnerships and ethical trading

Suppliers trained on anti-bribery and modern slavery

70%

Communities and environment

Positive impact, with direct investment in the community and Fair Tax Mark

Charitable and community donations

£168k

Government and regulatory bodies

Reinvestment in R&D and capital expenditure to drive sustainable growth

R&D expenditure

£5.5m

What makes us different?

Sustainability

- Commitment to producing new quality products that are better than any existing market offering
- Commitment to achieving the highest standards of environmental performance

Innovation

- Benchmark for excellence, widely regarded as a leader in its field
- Marshalls is one of Britain’s strongest Superbrands
- Development of a digital strategy

Customer service

- Strong Manufacturing, Innovation and Development team
- Skilled engineers and technicians
- Broad range of products

Quality

- New and innovative products
- Patent protection
- Machinery design and installation

Capital structure

- Strong and flexible capital structure
- Clear capital allocation policy

Dynamic business model

- Our business model is constantly developing through collaboration with customers and feedback from stakeholders. Our customer-focused investment in digital technology is transforming the customer experience and advancing the business model

 Priorities for capital on page 34

The Marshalls Way

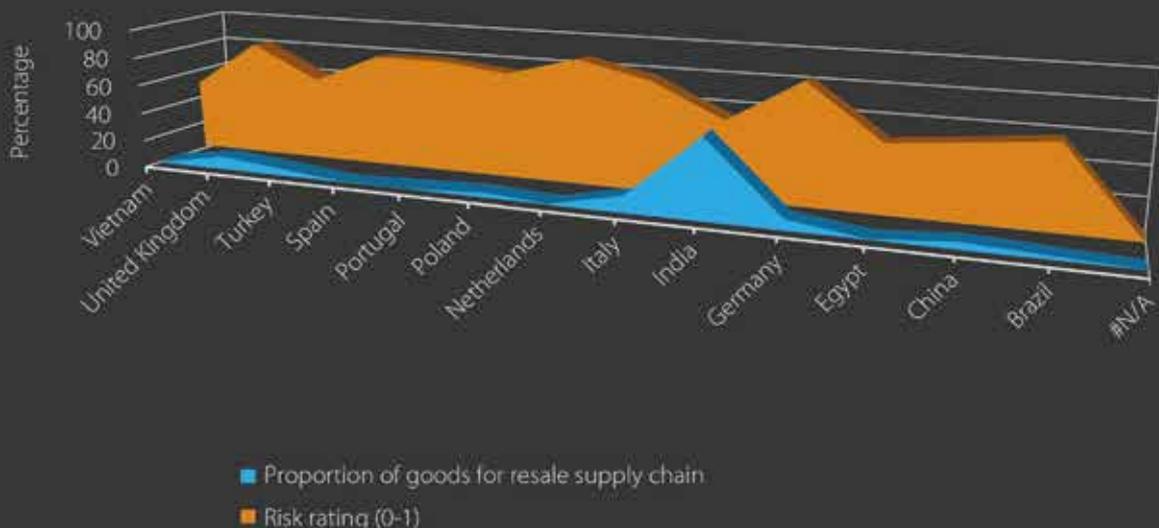
Marshalls classifies its suppliers in the following manner:

- 1) Goods for resale, e.g. natural stone.
- 2) Direct materials, e.g. aggregates, sand and cement.
- 3) Indirect purchases; consumables and services, e.g. engineering supplies, canteen, and cleaning services.

Since 2005 Marshalls has had a programme of ongoing assessment regarding areas of high risk related to its supply chain. Internal processes and procedures – due diligence, ethical auditing, modern slavery risk assessments, supplier engagement, modern slavery and human trafficking risk mapping - allow us to clearly identify high risk supply chains and/or areas within our supply chains where there is an increased risk of modern slavery.

Our focus continues to be Goods for Resale, especially from those countries which we have identified as high risk through our 'Country Risk Profiling' analysis and where volume of product is high; India, China, Vietnam, Brazil and Turkey. The chart below shows modern slavery country risk mapping alongside percentage of Marshalls 'goods for resale' and assists us further in identifying our priorities.

Goods For Resale (04/19 - 03/20)
Supply Chain and Slavery Risk



STAGE 1

Initial Desk-based Due Diligence & Modern Slavery Risk Mapping referencing published data from sources including, but not limited to: International Peace Index Global Observatory, Human Rights Watch Global Report, Human Rights Monitor, Universal Human Rights Index Database, Amnesty International Annual Report, Transparency International's Corruption Index, Children's Rights and Business Atlas, Gender Inequality Index, Inequality- Adjusted Human Development Index, Social Institutions and Gender Index, The Global Slavery Index, Financial Inclusion Data/Global Findex, ITUC Global Rights Index, International Labour Organisation, Trafficking in Persons Report and World Bank World Governance Indicators, specifically Corruption, Government Effectiveness and Rule of Law Indicators.

STAGE 2

Initial Supplier Visit and Audit against United Nations Global Compact Principles – Human Rights; Labour; Environment; Anti-Corruption; <https://www.unglobalcompact.org/what-is-gc/mission/principles> – and the Ethical Trading Initiative Base Code; <http://www.ethicaltrade.org/resources/eti-base-code>.

STAGE 3

Third Party Auditing & Modern Slavery Risk Mapping resulting in a clear corrective action plan if necessary.

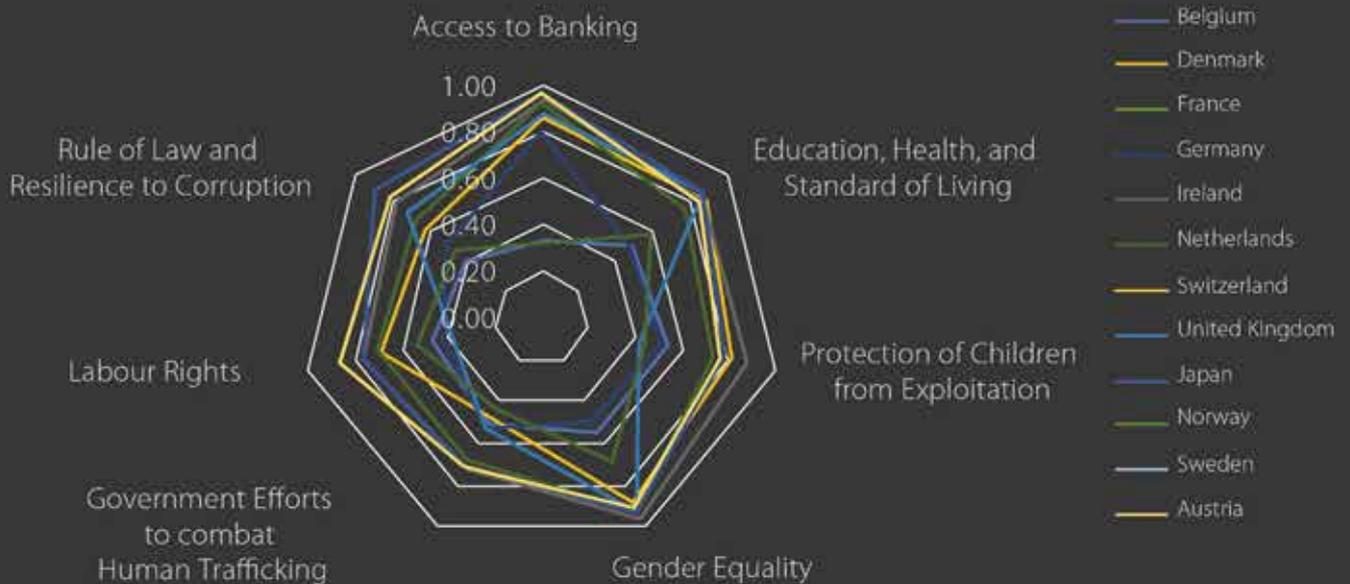
STAGE 4

Detailed Human Rights Impact Assessment monitoring and reporting which is then incorporated into decision making, ongoing updates, internal briefings, and corrective action plans, etc.

Assessment for Goods for Resale is therefore undertaken in stages resulting in a 'go/no-go' protocol. It is based primarily upon adherence to the UNGC Principles, implementation of the Ethical Trading Initiative Base Code, a clear Human Rights Impact Assessment and Modern Slavery Risk Mapping.

Marshalls Modern Slavery Risk Mapping processes assist us in identifying the risks of modern slavery within the countries from where we source goods.

Drivers of Modern Slavery Comparison for Goods For Resale Supply Chain - Countries with Very Low Risking (>0.8)



Marshalls also analyses, produces and shares transparently Modern Slavery Country Risk Profiles for all sourcing countries as part of our risk mapping and due diligence processes. These profiles map modern slavery drivers as follows; rule of law and resilience to corruption; labour rights; government efforts to combat human trafficking; gender equality; protection of children from exploitation; education, health and standard of living; and access to banking.

This section of our statement shows profiles for the UK, India, Vietnam & Turkey. The full range of Modern Slavery Country Profiles and Modern Slavery Risk Mapping regarding procurement categories accompanies Marshalls full suite of modern slavery and human trafficking documentation and can be found by clicking 'Read More' on our home page next to our Modern Slavery Statement.

United Kingdom

0 (Low Scoring): 1 (High Scoring)



UK

0 (High Risk): 1 (Low Risk)



India

0 (Low Scoring): 1 (High Scoring)



India

0 (High Risk): 1 (Low Risk)



Vietnam

0 (Low Scoring): 1 (High Scoring)



Vietnam

0 (High Risk): 1 (Low Risk)



Turkey

0 (Low Scoring): 1 (High Scoring)



Turkey

0 (High Risk): 1 (Low Risk)



Given the complexities of addressing the issues of modern slavery in supply chains much of our focus during 2019/20 has continued to be on India and Vietnam. We plan to continue to develop our work in India and Vietnam during 2020/21, expand this to include Europe during the same period, and to address China, Brazil and Turkey during 2020/21. All and any areas identified as high risk in the meantime will be treated as a priority.

Marshalls complies with all applicable trade laws. Our Code of Conduct, clearly communicates the requirement that suppliers must comply with laws governing human trafficking and slavery and reserves Marshalls' right to immediately investigate any discovered instances of non-compliance.

Marshalls has a process for the ongoing management/verification of its supply chains which seeks to evaluate and address risks of human trafficking and slavery in all areas of procurement. These now include: the organisation's supplier Code of Conduct, a regular programme of announced ethical audits undertaken by third party organisations; a programme of modern slavery risk mapping – announced and investigative/undercover - for high risk supply chains; regular - announced and unannounced - supply chain evaluation by Marshalls' sustainability and procurement teams; human rights impact assessments programme; bi-annual children's rights and business principles audits; weekly in-country social auditor reports from high risk supply chains; and NGO and IGO research on the supply chain and the wider sector.

Marshalls has clear processes for the ongoing management of its supply chains. The process varies slightly for existing suppliers, new suppliers and new suppliers in high risk geographies; you can see the diagram on p11.

Marshalls has achieved BRE 6002 Ethical Labour Standard verification for the fourth consecutive year. This is in independent third party verification which assesses our activity and informs our programme of work moving forward.

II Policies in relation to slavery and human trafficking;

Marshalls has audit rights in many of its supply contracts, which permit the organisation to audit a supplier's compliance under the terms of the contract. This extends to encompass modern slavery. Under Marshalls' contractual rights to audit its suppliers, we conduct routine audits and assessments of supplier performance. All of Marshalls' procurement team have undergone intensive modern slavery training.

Marshalls has reserved the right to investigate instances of non-compliance including instances of non-compliance with laws governing human trafficking and modern slavery.

All Marshalls' contracts require suppliers to comply with all applicable laws. Marshalls' suppliers are also required to adhere to our Code of Conduct, which states the requirement of compliance with laws and ethical business conduct, including those laws and principles prohibiting involvement in human trafficking and slavery. When a supplier accepts our purchase order and/or enters into a contract with Marshalls, they are acknowledging and consenting to comply with all laws and with our Code of Conduct. Other than these contractual obligations with suppliers and Marshalls' reservation of right to investigate. Marshalls does not have a formal supplier certification process.

The following policies should be read in conjunction with this Modern Slavery and Anti Human

Trafficking & Policy Statement and are available online at <http://www.marshalls.co.uk> Anti-Bribery Policy; Human Rights Policy; Children's Rights Policy; Social Investment Policy.

In additions readers should look at the Marshalls Annual Report 2019 and the UNGC Communication on Progress Report 2019.

Internal accountability standards and procedures for employees or contractors failing to meet company standards regarding slavery and trafficking: Marshalls' employees are, under the terms of their employment, expected to follow all laws of the countries in which they operate and all of the organisation's policies, including the Marshalls Employee Code of Conduct. Employees who violate laws or policies are subject to disciplinary action which in certain cases can lead to dismissal.

Marshalls' contractors are subject to the terms of all contracts with the organisation, including obligations to comply with our Code of Conduct. Marshalls reserves its contractual rights to terminate relationships with contractors who fail to comply with law and/or whose contractual noncompliance is not addressed in a timely manner. Compliance with our Code of Conduct is an essential factor in Marshalls' decision whether to enter into, continue or extend existing business relationships with a supplier or contractor.

III Due diligence processes in relation to slavery and human trafficking in its business and supply chains;

Our due diligence and ongoing monitoring regarding modern slavery and human trafficking are embedded throughout our operations. We have distinct detailed approaches for existing suppliers, new suppliers and new suppliers in high risk geographies or higher risk goods/products.

EXISTING SUPPLIERS:

- We are in the process of introducing an app which will further embed human rights within our organisation and operations. It will provide real-time information on specific measures regarding modern slavery and decent work. Importantly this app will include a geo-location facility enabling us to attribute this information to distinct locations.
- During 2020 we will introduce Safecall, the whistleblowing hotline, to our overseas supply chain identified as high risk. We already have Safecall in the UK. This facility enables employees, contractors and suppliers to report issues relating to their working environment in a safe and secure way via phone and web.
- Suppliers all receive our Code of Conduct and ongoing associated online and face-to-face training.
- During 2020 all suppliers will be required to complete, on an annual basis, the Slavery & Trafficking Template (STRT) – <https://www.socialresponsibilityalliance.org/> - this is currently being embedded within our IT system. Information fed back to a dashboard will assist us further in identifying areas for investigation, agreeing corrective action measures and for bespoke human rights activity where required.
- This STRT activity will be complimented by an annual ongoing programme of assessments and audits both by Marshalls staff and by independent third parties as appropriate.

NEW SUPPLIERS:

- Initial desk-based due diligence is undertaken together with analysis of country, regional and sectoral risk, as seen in our annual Modern Slavery Country Risk Mapping.
- As part of this due diligence process we also engage the assistance of third parties such as Verisk Maplecroft and Traffik Analysis Hub.
- Details from this due diligence activity are discussed and reviewed within the Sustainable Procurement Working Group which includes key individuals from procurement, commercial, people services, sustainability and human rights teams throughout the process.
- The intended supplier is asked to complete the STRT process and the feedback is reviewed
- Initial supplier visits are undertaken moving forward information from such visits captured within the human rights app.
- Initial third party audits and/or assessments are undertaken.

NEW SUPPLIERS IN HIGH RISK GEOGRAPHIES:

In addition to those actions taken for new suppliers, suppliers in high risk geographies are subject to enhanced due diligence processes.

- We consult with in-country offices of appropriate UN agencies such as the International Labour Organisation and International Organisation for Migration.
- We seek specialist knowledge, expertise and information from our extensive network, such as the ILO Child Labour Platform, UNGC Child Labour Working Group, UNGC Modern Slavery Working Group, etc.
- As appropriate bespoke programmes are undertaken/commissioned. Findings are shared internally and externally as appropriate.

IV The parts of its business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps it has taken to assess and manage that risk;

As previously stated, Marshalls classifies its suppliers as follows:

- 1) Goods for resale, e.g. natural stone.
- 2) Direct materials, e.g. aggregates, sand and cement.
- 3) Indirect purchases; consumables and services, e.g. engineering supply, canteen, cleaning.

Internal processes and procedures allow us to clearly identify high risk supply chains and/or areas within our supply chains where there is an increased risk of modern slavery. It should be noted that Marshalls' default position is to source from suppliers where we are able to trace back to the raw material.

Marshalls continues to; (1) map its activities in relation to these three classification areas; (2) further identify high risk areas within its business and supply chain; (3) communicates developments in procedures; (4) together with appropriate third parties developed protocols which respond to the needs of victims of modern slavery in the UK, and (5) commit to reporting transparently on any and all instances of modern slavery identified within its business and supply chains. Details of this activity are documented in our 'End Modern Slavery Report 2020' which is published annually online.

V Its effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate.

Marshalls remains absolutely committed to supporting the efforts of all bodies working to identify and eradicate modern slavery and human trafficking, including key agencies and individuals in the UK; Independent Anti-Slavery Commissioner, UK International Migration & Modern Slavery Envoy and the Gangmasters Labour Abuse Authority, and others. We continue to work diligently to ensure that individuals do not suffer as victims and that Marshalls does not become a corporate victim of the organised criminals engaged in modern slavery and human trafficking. Since our last statement we have done this by:

- Continuing an ongoing programme of awareness throughout UK business operations involving all employees regarding modern slavery; what it is, who is affected and why it matters to us. Our strategically placed Modern Slavery Ambassadors, together with online training, internal communications bulletins, induction process and face-to-face training have helped keep awareness levels high.
- Ensuring that all relevant employees directly involved with supply chains and procurement have undertaken training.
- Ensuring that all suppliers have received and understood Marshalls Code of Conduct and position regarding modern slavery via an independently managed traceable process.
- Actively enhancing and developing our sustainable procurement framework; including our due diligence processes, bespoke human rights activity, assessment and auditing processes – both for existing and potential new suppliers.
- Enhancing our knowledge, networks and providers in this space in order that we work with the most up-to-date and advanced information and data regarding modern slavery and human trafficking. Utilising this information to further develop our Ethical Risk Index offering to customers.
- Engaging collaboratively with a wide range of stakeholders to help ensure that we further develop and enhance our activity in this area; including NGOs, UN agencies, governments, law enforcement agencies, customers, employees, suppliers, civil society, advocates and young people.
- Monitoring all related activity against our public commitments including UNGC principles, the ETI Base Code and our own policies.
- Revising our Code of Conduct and communicating this with all of our stakeholders, including suppliers and employees.

Detailed information regarding our progress in relation to each of our specific KPIs can be found in our 2020 End Modern Slavery Report.

VI The training available to its staff working in supply chain management, those in the rest of the organisation, and suppliers.

All suppliers, both existing and new, are required to undertake Marshalls' online training module regarding issues of legal compliance, including modern slavery and human trafficking. Additional supplier education activity has been extended to include modern slavery and human trafficking and will be continued throughout 2020/21. This activity has included: education workshops; online training; face-to-face meetings; newsletters; road shows; conferences; emails; social media; public relations and communications activity.

Existing and new employees directly involved in procurement, human resources and the supply chain are required to undertake training regarding issues of legal compliance, including modern slavery and human trafficking. Marshalls also trains its employees in the standards of ethical behaviour, human rights, children's rights, child labour, modern slavery and human trafficking, related policies, procedures and legal requirements. This is currently done via our 'Group Learning Zone' and in person. Further work will be done to ensure that all employees and temporary workers are trained at induction about our policies regarding modern slavery and trafficking within a sustainable, ethical business and human rights context.

During 2020 Marshalls will continue its internal awareness campaign regarding modern slavery. This will include posters throughout the organisation's UK-based operations, board briefings, briefing of the marketing team, briefing of the procurement team and human resources teams, briefing of works/facilities managers, face-to-face meetings with key individuals, specific human resources and procurement team training, specific training for the logistics team, modern slavery online courses available to all employees and a modern slavery apps on all company mobile phones.

In addition supply chain and sourcing directors, managers and employees, departmental directors and board directors will continue to receive high level briefings on human rights issues. They are also required to undertake the training programme regarding modern slavery and human trafficking.

Marshalls has further developed clear KPIs regarding modern slavery within each of six focus areas. We will report on each of these in next years' statement and in our Annual End Modern Slavery Report.

Marshalls will update and publish this Modern Slavery and Anti Human Trafficking Policy Statement annually.



Marshalls

Creating Better Spaces