



Marshalls

Modern Slavery Statement

Marshalls Plc
Period ending December 2022



END MODERN SLAVERY END MODERN SLAVERY END MODERN SLAVERY END MODERN SLAVERY END MODERN SLAVERY



Introduction

This statement applies to activities within Marshalls Group plc between January and December 2022. Marshalls acquired Marley Group plc in April 2022. We are working towards more integrated reporting in our 2023 statement.

Marshalls' Annual Modern Slavery Statement has full Board approval. As a UK-based business with global supply chains, we are committed to doing all that we can to eliminate modern slavery. This is woven through our structures and operations, our engagement with our people, suppliers, customers, and reflected in our commitment to ethical procedures and to upholding the UN Guiding Principles on Business and Human Rights.

Modern slavery remains firmly at the top of our organisational agenda. The Board is well aware that the impact of the pandemic continues to reverberate in global supply chains and has had significant impact upon workers in supply chains. We understand that the situation has been compounded further by the war in Ukraine, the cost-of-living crisis, volatility and uncertainty in energy supply and price; a few among many other extremely unsettling factors.

Our partnerships and work with the United Nations Global Compact, the International Organization for Migration and the International Labour Organization, and with workers' bodies and associations, ensure that we are fully aware of the situation of workers and communities both in the UK and overseas. We recognise the private sector's important role in respecting human rights, ensuring decent work and economic growth, as well as supporting and upholding international standards.

We continue to actively support the calls for, and movement towards, mandatory human rights and environmental due diligence because we believe strongly that this is the right path for any business committed to operating responsibly. The trajectory of global human rights legislation and the pace of change continue to fuel our efforts and keep up momentum. In 2022, we increased the capacity of our business and human rights team as we go deeper and into more of our supply chains in order to find, fix and prevent modern slavery.

Having acquired Marley in April 2022 the expanded team is working to integrate them into the Group business and human rights roadmap to 2030, sharing and embedding the strong and effective human rights and environmental due diligence systems and processes that we've developed over a number of years. Next year's Modern Slavery Statement will fully reflect this integration process.

I, and the Board, remain wholly committed to our efforts to eliminate modern slavery in all of its forms.

Martyn Coffey
Marshalls CEO
15th March 2023

Highlights from the past

- › Continued to review, revise and strengthen our procurement human rights due diligence system and our processes.
- › Expanded our business and human rights team to increase capacity for risk assessment, supplier visits and engagement.
- › Continued to deepen our engagement with suppliers in higher risk supply chains, and in higher risk geographies.
- › Undertook advanced supply chain mapping for 100% of our natural stone supply chains, using risk analysis tools supplied by Verisk Maplecroft.
- › Introduced a human rights and environmental due diligence analysis process that maps supplier locations against in-country and regional human rights risks.
- › Engaged with local experts to map out our South Indian supply chain back to raw materials and to analyse current and evolving human rights risks, providing procurement with more detailed information to aid decision making.
- › Worked with our China office to map out our entire natural stone supplier locations to quarry level.
- › Delivered a project with the IOM in Vietnam to understand the effect that the Covid-19 pandemic had on the natural stone sector, and the support that local companies require to meet international standards. This is building on a collaborative relationship that began in 2019.
- › Started piloting the Everyone's Business app for onsite reporting in China, in preparation for wider rollout in 2023 with other colleagues across the Group.





12 months

- > Carried out a human rights risk assessment of aggregates and minerals suppliers in our materials supply chain.
- > Continued with the implementation of an independent Modern Slavery Threat Assessment programme throughout our UK operations, covering 32 Marshalls locations in 2022.
- > Established an ESG Steering Committee attended by senior directors, at which our approach to modern slavery will increasingly be scrutinised internally.
- > Refreshed our Code of Conduct for Marshalls employees and suppliers, with added emphasis on whistleblowing and human rights due diligence.
- > Published our Risk Analysis Report which shows sourcing geographies for all of our locations, making this publicly available.
- > Continued our engagement with the UN Global Compact PACE project to eliminate the worst forms of child labour.
- > Co-chaired the ILO Child Labour Platform India Working Group, working in a cross-sectoral initiative.
- > Supported a multi-lateral consultation in Brussels on the health of Indian workers in the quarrying and mining sector, with the Rajasthan Mine Workers Welfare Board.
- > Funded and supported the launch of a publicly available podcast series organised by the Social Responsibility Alliance which explores the complex challenges businesses face in identifying modern slavery and human trafficking risks, evidencing those risks and making the necessary changes.
- > Presented at a Cabinet Office-sponsored event for government suppliers on the risks of modern slavery on construction sites.
- > Continued to engage with UK Government, the UK Migration and Modern Slavery Envoy, the Commonwealth Parliamentary Association, overseas governments, international business associations and bodies on the issues of modern slavery.
- > Continued to support the Cabinet Office's UK Modern Slavery Training Delivery Group.
- > Continued to provide intelligence to law enforcement in the UK, including the Gangmasters & Labour Abuse Authority (GLAA), local law enforcement, the Modern Slavery Helpline.
- > Continued to work with Bright Future, offering employment opportunities to victims of modern slavery in the UK.

Contents

Areas of activity	2
How Marshalls does business	3
Our commitment to UK Modern Slavery Law	
I. The organisation's structure, its business and its supply chains	6
II. Policies in relation to slavery and human trafficking	9
III. Due diligence processes in relation to slavery and human trafficking in its business and supply chains	12
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	14
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	15
VI. The training available to staff	16
More information	17



Find out more about Marshalls at:
marshalls.co.uk/about-us



All of this activity is documented in detail in our 2021 End Modern Slavery Report. Download it at:

marshalls.co.uk/sustainability/modern-slavery



Areas of activity

	Focus	Activity
Strategic collaboration to accelerate the eradication of modern slavery	<ul style="list-style-type: none"> › Develop/support/engage in strategic collaborations/partnerships/initiatives to identify, prevent and mitigate human rights abuses in Marshalls' own business operations and global supply chains; build knowledge, capacity and facilitate engagement from/with the wider construction sector and across sectors, as appropriate. 	<ul style="list-style-type: none"> › Activity and deepened engagement with the ILO Child Labour Platform. › Co-Chairing of UK Government Modern Slavery Training Delivery subgroup, focusing upon construction, transport and logistics. › Continuing engagement with the UN Global Compact (UNGC) to support global eradication of modern slavery. › Continuing active engagement with the UNGC PACE investor initiative, focusing on the worst forms of child labour and exploring how learnings can more broadly be applied to other fragile communities. › Continue to work with the IOM in Vietnam, carrying out a project to understand the impact of Covid-19 on local stone supply chains. › Continue to engage with the Dutch and Flemish Government's responsible production and purchase of natural stone initiative, TruStone. › Support and engage in the work of CCLA Find it, Fix it, Prevent it investor initiative. › Further develop the work of the internal Business and Human Rights Accelerator Group to aid the embedding, implementation and delivery of the BHR Roadmap to 2030. › Engage with universities to support and facilitate research regarding modern slavery and human trafficking. › Active engagement with the Social Responsibility Alliance to develop internationally recognised supplier engagement tools.
Remediation and support for victims/survivors	<ul style="list-style-type: none"> › Implement appropriate remediation action to ensure that victims of modern slavery, identified within our own business operations and supply chains, can access the appropriate support, and that we offer support more widely as appropriate. 	<ul style="list-style-type: none"> › Review and strengthen our process of remediation and support for 85% of the supply chain identified as high risk, by volume of product for natural stone. › Review grievance mechanism and develop multi-language engagement materials ready for rollout of Safecall to strategic suppliers in 2023. › Increase in-country presence and live monitoring.
Human rights due diligence systems	<ul style="list-style-type: none"> › Continuously improve our human rights due diligence systems and processes, and encourage the identification of instances of modern slavery – taking appropriate action to report and also to ensure that the most vulnerable are not further adversely affected. 	<ul style="list-style-type: none"> › Roll out of enhanced human rights and environmental due diligence (HREDD) supplier systems and processes. › Further refinement of our supplier risk analysis and resulting action following Slavery and Trafficking Risk Template (STRT) implementation. › Advanced supply chain network mapping – against global human trafficking data – for high risk suppliers. › Continue with specific work researching and mapping Chinese natural stone supply chain. › Further progress with our enhanced Modern Slavery Risk Assessment programme across UK business operations. › Implementation of a risk-based social audit programme for suppliers in 2023.
Effectiveness in identifying and preventing slavery	<ul style="list-style-type: none"> › Report on our efforts and effectiveness in helping to ensure that modern slavery and human trafficking is not taking place in our business operations and global supply chains. 	<ul style="list-style-type: none"> › Trial the Everyone's Business app for roll out with wider procurement team. › Roll out of Safecall whistleblowing hotline in key geographies for natural stone supply chains. › Expand advanced supply chain risk analysis to assist with prevention and identification. › Collaboration on the Vietnamese natural stone sector with the IOM; assessing recruitment and employment practices post Covid -19, promoting ethical standards.
Reporting on efforts to address root causes	<ul style="list-style-type: none"> › Report on our efforts to address the root causes of salient human rights issues; child labour, bonded labour, prison labour and forced labour. 	<ul style="list-style-type: none"> › Continue to share with appropriate stakeholders, agencies, authorities, platforms and associations, our research, findings and insights as a result of our activity with UN partners, NGOs and others. › Continue to engage with governments to provide evidence and intelligence, and to push for mandatory HREDD and the engagement in private sector efforts. › Continue to work to deliver the 'Guiding Framework' within our IYECL Action Pledge.
Delivery of modern slavery training, and its impact	<ul style="list-style-type: none"> › Enhance, develop, shape and deliver modern slavery training which empowers and assists internal decision making in support of human rights, and increases the reporting of instances of modern slavery. › Active engagement in the development, shaping and delivery of modern slavery training in the UK – across sectors – using IT. 	<ul style="list-style-type: none"> › Bespoke training for HR, procurement, operations and environmental teams. › Knowledge partner accelerator programme with internal colleagues. › Roll out of modern slavery and ethical training for suppliers in four languages. › Continue to actively engage with the Modern Slavery Training and Development Group. › Refreshed anti-slavery training delivered in person in Marshalls locations. › Specialised training for the procurement team. › Preparatory work for the role of the Ethical Risk Index for roll out in 2023, highlighting risks in supply chains to domestic customers and clients. › Training the commercial team on human rights in supply chains to encourage more conversations with customers.



How Marshalls does business



The Marshalls group of companies (including 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 responsibly and with honesty and integrity; treating all people with dignity and respect; and 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, which can be accessed via our document library.



marshalls.co.uk/sustainability/document-library

Marshalls complies with employment laws in 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. Our Code of Conduct specifies supplier obligations regarding modern slavery and human trafficking.

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 see page **6**
- II Its policies in relation to slavery and human trafficking see page **9**
- III Its due diligence processes in relation to slavery and human trafficking in its business and supply chains see page **12**
- 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 see page **14**
- 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 see page **15**
- VI The training available to its staff involved in supply chain management and employees throughout the rest of the organisation see page **16**



Creating better futures for everyone

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

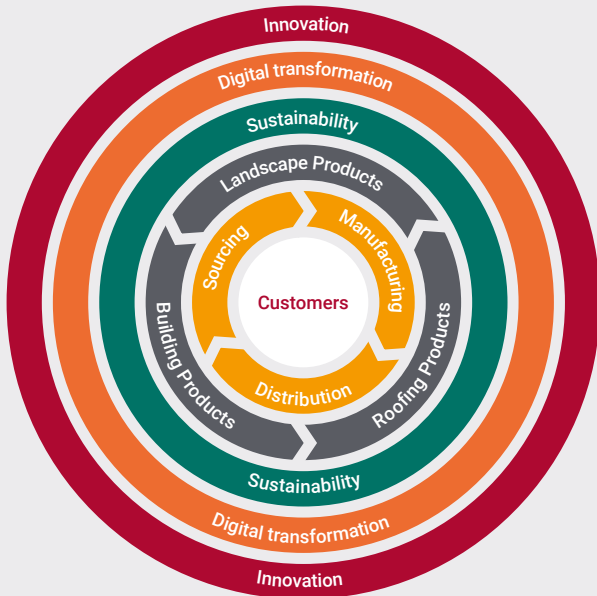
Intellectual

With over 130 years' experience, we have a reputation built on transparency and long-standing core values. We focus on innovation and strong R&D and NPd

Natural resources

Marshall's has extensive reserves of UK natural stone. Strong supply chain relationships ensure the ethical sourcing of natural stone from India, China and Vietnam

Our business



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
- Competitive activity
- Legal and regulatory

Sourcing

Our main raw materials are cement, sand, aggregates and pigments – the majority of which are UK sourced.

Related risks

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

Manufacturing

We have well-invested sites and manufacture landscape, driveway and garden products from a range of materials, principally concrete and natural stone.

Related risks

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

Distribution

Our operations are part of a national network and 95 per cent of our customers are less than two hours away. We have our own fleet.

Related risks

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

Outcomes

Stakeholder outcomes

Shareholders

Cumulative growth of dividends of 12.7% (pre-supplementary) over the last eight years

Dividend per share
15.6p

Suppliers

Active membership of Supply Chain Sustainability School – leading role in upholding human rights at home and overseas in our supply chains

100%
Modern slavery country risk mapping

Customers

We aim to provide an outstanding customer experience at every step in the customer journey

Automated live customer experience dashboard in development, to improve existing metrics

Communities and environment

Positive impact, with direct investment in the community. Plastic consumption down by over 30% since 2013

Proportion of concrete and natural stone products now fully recyclable
100%



Incorporating Marley

The acquisition of Marley was a transformational step in delivering the Group's strategic goal of becoming the UK's leading manufacturer of products for the built environment. It has extended the Group's product range into the pitched roofing market with an extensive range of products and solutions across the full roofing system with highly recognised and market leading brands.

Our capital

Human

The Group has an experienced workforce of 3,112 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

Landscape Products

Commercial and Domestic landscaping business, Landscape Protection and the International businesses

Related risks

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

Building Products

Civils and Drainage, Bricks and Masonry, Mortars and Screeds and Aggregates businesses

Related risks

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

Roofing Products

Marley Roofing Products business offering a comprehensive roofing system

Related risks

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

Sustainability

Sustainability at Marshalls is at the heart of what we do – you can see it in our products, in our commitments and in our actions. The UN Global Compact's principles continue to guide us and provide our framework for reporting

The Marshalls Way of doing the right things, for the right reasons, in the right way underpins our sustainability model. Our three pillars of **Respecting People, Climate Action and Made to Last** demonstrate our areas of focus through becoming a **Better Workplace**, contributing to a **Better World** and giving our customers a **Better Product**

Related risks

- Security of raw material supply
- Cost inflation
- Ethical
- Climate change

Digital transformation

Our customer focused investment in digital technology is transforming the customer experience and advancing the business model.

Related risks

- Macro-economic and political
- Cyber security risks
- IT infrastructure
- Legal and regulatory

Innovation

We are committed to the development of innovative processes and equipment and to the delivery of innovative product solutions.

Related risks

- Competitive markets
- Cost inflation
- Security of raw materials supply
- Climate change



Outcomes

Employees

DERI strategy and employee engagement measurement

Active apprenticeships in 2022

142

Government and regulatory bodies

Responsible business commitments (e.g. Living Wage)

9 years

of being Fair Tax Mark certified

Strategic corporate objective outcomes

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

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

Marshalls’ approach to sustainability is guided by our commitment to the United Nations Global Compact – we’ve been a signatory since 2009. For us, sustainability and good business ethics means creating better net positive futures for everyone. We do this The Marshalls Way – doing the right things, for the right reasons, in the right way. We’re clear that the Sustainable Development Goals that we can contribute to most positively are SDG 8, SDG 11, SDG 12 and SDG 13.

For Marshalls, the three pillars underpinning this are Better Workplace, Better World and Better Product.

We are committed to making our environmental, social and governance data transparent so our customers can trust the Marshalls brand, our investors can assess our sustainability credentials and our people can be proud of where they work. Sustainability for Marshalls isn’t new - we’ve been doing this important work for over 20 years and our credentials speak for themselves. We are a FTSE4Good constituent and we’ve been named a Superbrand for over 10 years. We pay our fair share of tax and proud to have had the Fair Tax Mark since 2015.

Marshalls sources from a number of countries and a full breakdown of our Modern Slavery Risk Analysis can be seen at: marshalls.co.uk/sustainability/modern-slavery

We classify suppliers as follows: (a) goods for resale, i.e. natural stone, (b) direct materials, such as aggregates, sand and cement, and (c) indirect purchases which includes consumables and services, i.e. engineering supplies, canteen and cleaning services.

We are clear that seeking to understand human rights and modern slavery risks is multi-dimensional, and as such we approach this in a number of related ways:

- The global context in which our operations and supply chains sit.
- The country and sectoral context and risks.
- Our internal procurement human rights due diligence processes, including how we consider risk and the analysis of information that we require from suppliers.
- The monitoring and assessment of higher risk suppliers.
- Insights and feedback from auditors, NGO observers, bespoke programmes with UN agencies and other actors.



We have expanded our business and human rights team, improving our ability to assess current and prospective suppliers through enhanced due diligence. The business and human rights team is implementing a programme of visits and audits to gauge the risk levels of suppliers in key geographies in 2023. Data will be captured by a new electronic auditing system. This work will enhance our desk-based risk analysis and collaborative work with specialist third parties in high-risk regions. Our approach, while structured, remains flexible enough to respond to increasing information available to us through our enhanced risk analysis programme.

India, China, Vietnam, Egypt and Brazil are areas of ongoing focus. We continuously monitor international developments. In the UK, we continue to focus on temporary labour providers, and on those suppliers who use significant amounts of temporary labour within their own operations.

The diagram below expresses the ways in which we actively engage to identify risks within our business operations and supply chains.





Our commitment to UK Modern Slavery Law

We have an ongoing programme of modern slavery risk assessments in our UK operations, carried out by an independent third party.

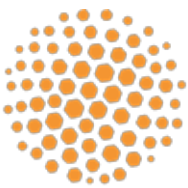
Marshalls complies with all applicable trade laws. Our Code of Conduct clearly communicates the requirements that suppliers must comply with the laws governing human trafficking and slavery and reserves Marshalls' right to immediately investigate any discovered instances of non-compliance.

Marshalls has a clear process for the management and verification of its supplier base which seeks to evaluate and address risks of human trafficking and slavery.

Processes vary slightly for existing suppliers, new suppliers, and new suppliers in high risk geographies.

Marshalls has achieved BRE Ethical Labour Sourcing Standard 6002 for the seventh consecutive year. This is an independent third party verification, which assesses our activities and informs our programme of work moving forward.

Our certification journey mirrors so much about our business and human rights path which started back in 2005. The power of BRE ELS 6002 is continuous improvement; as a tool to push ourselves and continually to raise our game with our human rights work.



Everyone's Business

The Everyone's Business app allows us to monitor and report on our supply chains in real time. After trialling it this year, we will be rolling it out to colleagues in 2023.



II. Policies in relation to slavery and human 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 Code of Conduct. Employees that violate laws or policies are subject to disciplinary action which in certain cases can lead to dismissal.

Marshalls reserves its contractual rights to terminate relationships with contractors who fail to comply with law and/or whose contractual non-compliance 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.

Following the acquisition of Marley in April 2022, Marshalls started a policy integration programme to ensure that both businesses are operationally and ethically aligned. Over the next year, Marshalls will continue to integrate policies from both businesses, starting with documents requiring annual Board review and approval. This includes the Human Rights Policy.



The following policies should be read in conjunction with this Modern Slavery Statement and are available online at marshalls.co.uk/about-us/policies

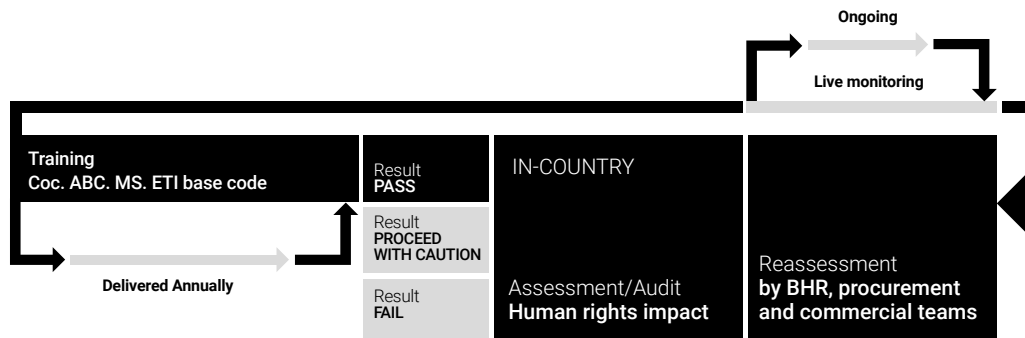
- › Anti-Bribery Code
- › Human Rights Policy
- › Children's Rights Policy Statement
- › Social Community Investment Policy

In addition, readers should look at Marshalls' Annual Report 2022 as well as the latest Sustainability Report 2022



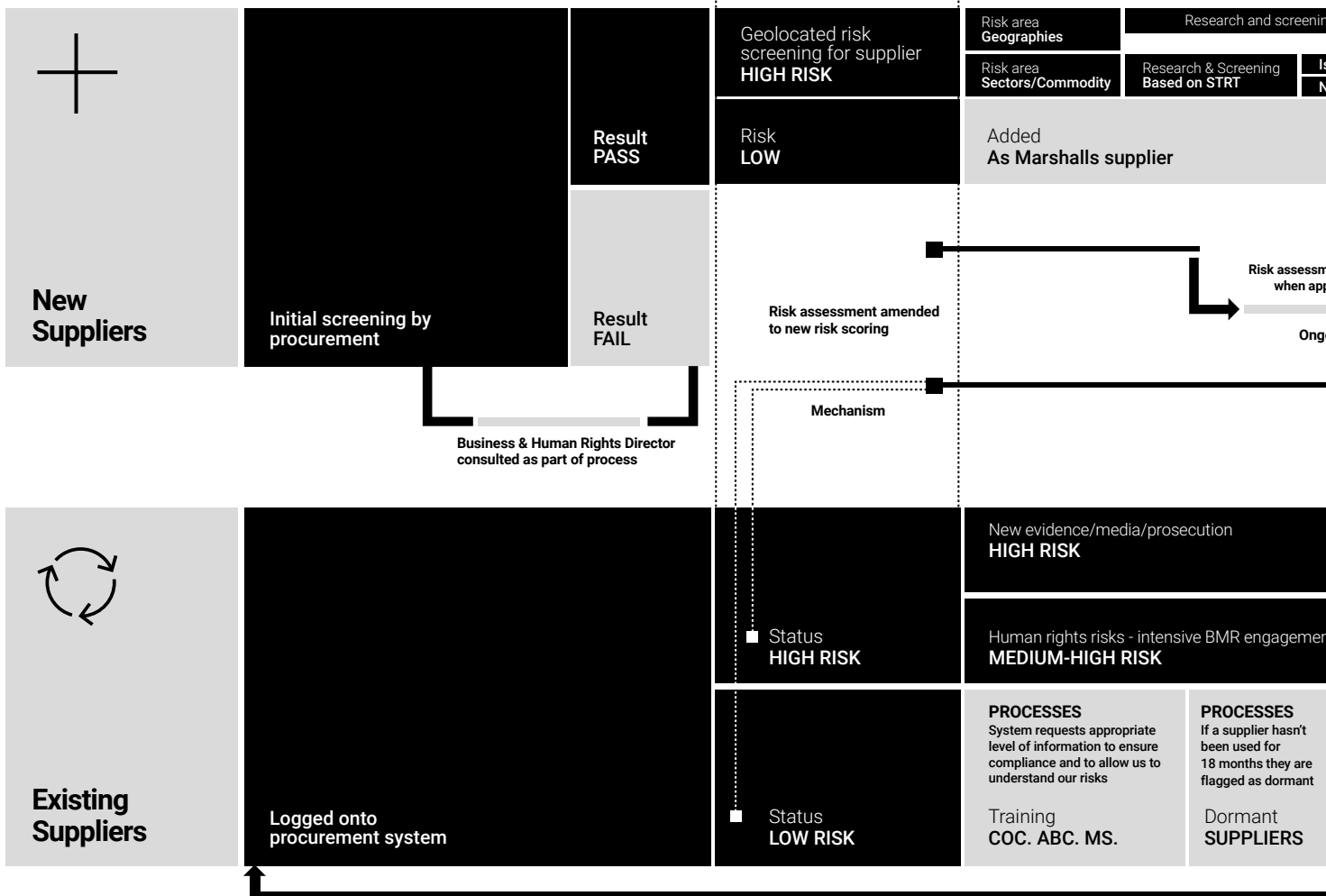


Our commitment to UK Modern Slavery Law



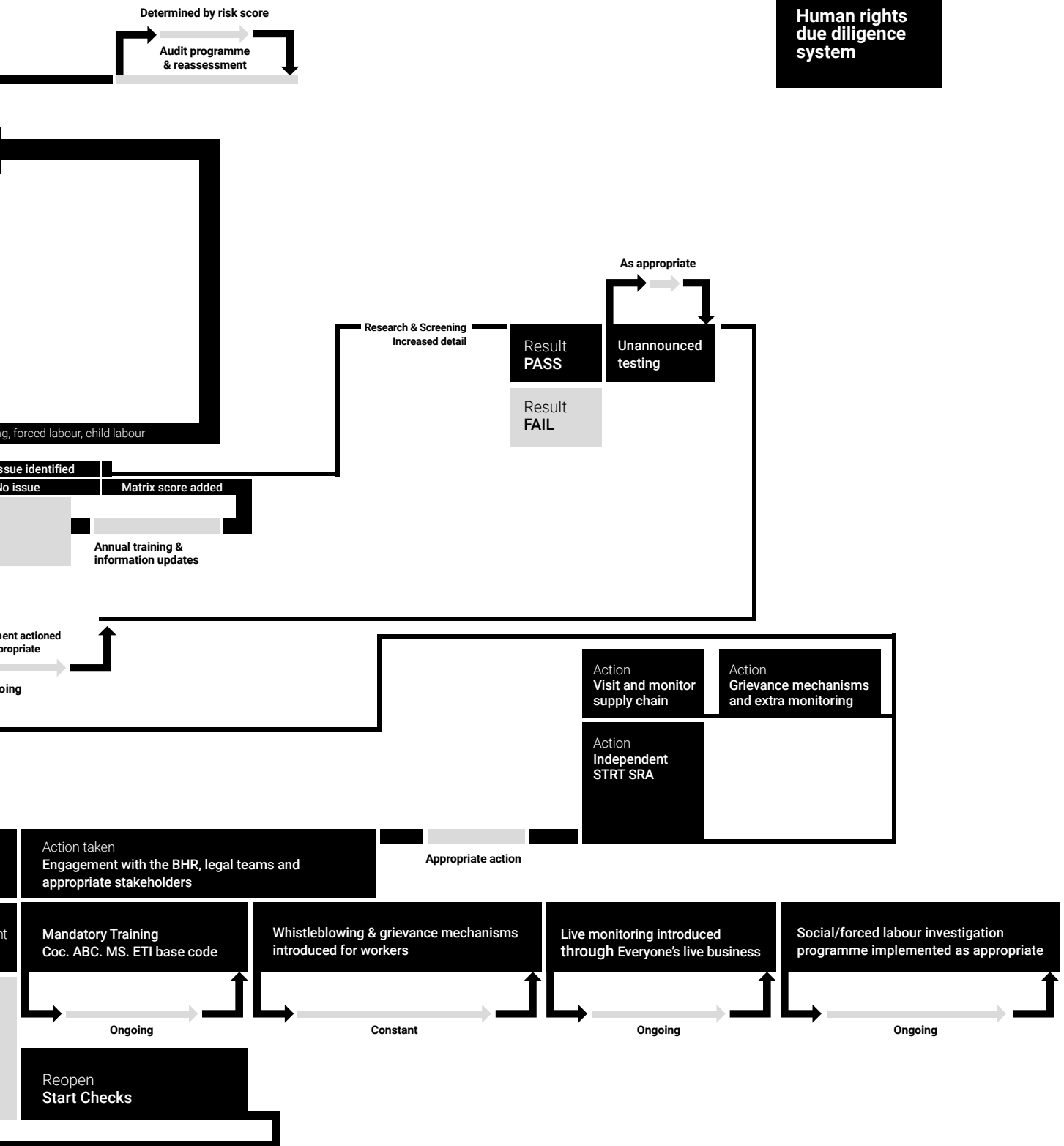
Marshalls Risk Matrix

Modern Slavery Criteria Categorisation





Human rights due diligence system





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

Our human rights due diligence for modern slavery and human trafficking is embedded in the business and will increasingly be monitored by our recently formed ESG Steering Committee. The committee reports directly to the Board and is attended by senior Board members including the Chief Financial Officer and Chief Operating Officer. From 2023, CEO Martyn Coffey will also be attending ESG Steering Committee meetings.

In 2022, we expanded our business and human rights team to increase our due diligence capacity and conduct more face-to-face supplier meetings and audits in our global supply chain.

We tailor our approach depending on level of risk, geography and supplier history with Marshalls. Following the acquisition of Marley last April, we have started to analyse human rights risk in some of Marley's supply chains, including Viridian Solar. Marley will be integrated into our due diligence processes in 2023.

Existing suppliers

- › The global pandemic has slowed the introduction of our live monitoring app Everyone's Business which will further embed protection of human rights within our organisation and operations. The app, which is designed to be used by professionals of any discipline, aids the collection of structured real time data as part of day-to-day operations and supplier visits. The app provides feedback on specific measures regarding modern slavery, worker safety and decent work*. In recent months the app has undergone a redesign and upgrade. In response to requests from Marshalls, the development partner has added a geo-location facility to help us pinpoint exact locations in difficult geographies. This is particularly important in rural sites such as quarries.
- › This year the business and human rights team met with the developer and other businesses using the app to understand how Everyone's Business is being implemented across international supply chains. Marshalls has started piloting the app with our China-based team, and in 2023 we will roll out the app to other parts of the business, including procurement.
- › Our whistleblowing hotline Safecall has long been established for our UK operations. Our plans to roll out Safecall to our overseas supply chain were put on hold by the pandemic. However, we have reviewed our approach and materials, in readiness for a multi-lingual roll out in 2023 and will be engaging with suppliers and workers in key geographies.
- › Suppliers in high risk geographies or sectors will receive our training videos on the ETI Base Code. Versions in Hindi, Vietnamese and Mandarin will be rolled out in 2023.

Existing high risk suppliers

- › All suppliers rated by us, according to our internal scoring system, as having a moderate to substantial risk of modern slavery will be required to undertake a full Slavery & Trafficking Risk Template (STRT) assessment, developed by the Social Responsibility Alliance – socialresponsibilityalliance.org. This STRT activity is complemented by regular ongoing assessments, audits and visits both by Marshalls staff and independent third parties as appropriate.

New suppliers

- › Initial risk-based due diligence is undertaken together with analysis of country, regional and sectoral risk, as seen in our Modern Slavery Risk Analysis Report – marshalls.co.uk/sustainability/modern-slavery
- › Our desk-based due diligence processes include the use of official and NGO reports, as well as risk analysis tools supplied by Verisk Maplecroft.
- › Where a potential new supplier is identified as having a moderate to significant risk, the procurement team consults with the ESG and Human Rights Director as part of its process before approving a supplier. New suppliers are asked to complete the STRT process and the feedback is reviewed.
- › Assessments and audits are undertaken as appropriate either by Marshalls staff or appropriate third parties. Details of this due diligence activity will be discussed and reviewed regularly within the ESG Steering Committee.

New suppliers in high risk geographies

In addition to those actions taken for new suppliers, those 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 Organization (ILO) and the International Organization for Migration (IOM).

We seek specialist knowledge, expertise, information and insights from our extensive network, such as the ILO Child Labour Platform, UNGC Network UK Child Labour Working Group and Modern Slavery Working Group.

As appropriate, bespoke programmes that specifically address risk of modern slavery are undertaken/commissioned, and findings are shared internally and externally as appropriate. All of this activity informs whether we engage with potential new suppliers, or not.



Marshalls' internal modern slavery scoring matrix consists of data regarding the risk of modern slavery in specific geographies, sectoral risk and product risk. Information is taken from the following sources:

The World Bank – Global Index Database
globalindex.worldbank.org/

The World Bank – Governance Indicators
info.worldbank.org/governance/wgi/index.aspx#reports

United Nations Development Programme: Human Development Reports – Inequality-adjusted Human Development Index
hdr.undp.org/en/composite/IHDI

United Nations Development Programme: Human Development Reports – Gender Inequality Index
hdr.undp.org/en/composite/GII

Children's Rights and Business Atlas
worldjusticeproject.org/rule-of-law-index/

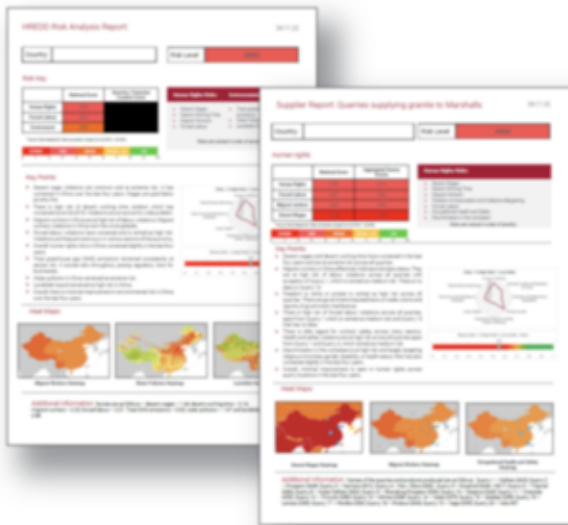
Global Slavery Index – Government Response Rankings
globalslaveryindex.org/findings/

Ratification of Fundamental ILO Conventions
ilo.org/dyn/normlex/en/f?p=1000:10001::NO::

World Justice Project – Rule of Law Index
worldjusticeproject.org/rule-of-law-index/

International Trade Union Confederation – Global Rights Index
survey.ituc-csi.org?lang=en

Trafficking In Persons Report
state.gov/trafficking-in-persons-report/



Drivers of Modern Slavery - India



Enhanced supply chain mapping

Marshalls uses Verisk Maplecroft tools to carry out advanced mapping of its strategic supply chains. The findings help to develop a nuanced picture of our supply chains and to understand which regions are at greatest risk of modern slavery. This intelligence is being used to inform longer term procurement and due diligence strategies, to help us decide where to focus our resources and to work with others to eliminate modern slavery.

Marshalls has developed a three-stage risk reporting process. The first maps out human rights and environmental risks at country level, assessing societal, environmental, governmental and political trends over a five-year timespan; the second stage maps supplier geolocations against trends in specific regions over the same time period; the third stage is in response to very high-risk scenarios demanding immediate action or intervention.

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.

Ongoing activities: We continue to

- › Map our activities in relation to these three classification areas.
- › Further identify high risk areas within our business and supply chain.
- › Communicate developments in procedures.
- › Together with appropriate third parties, develop protocols which respond to the needs of victims of modern slavery in the UK.
- › Commit to reporting transparently on any and all instances of modern slavery identified within our business and supply chains. Details of this activity are documented in our End Modern Slavery Report which is published annually online.

Special projects in 2022

- › Carrying out a modern slavery risk assessment of temporary labour providers to our UK business.
- › Carrying out a modern slavery risk assessment of our materials suppliers.
- › UK-based photovoltaic specialist Viridian Solar has joined Marshalls as part of the Marley acquisition. We are carrying out a deep dive human rights risk assessment of its solar supply chain, mapping out the journey from raw materials to assembly where possible. We are also analysing supplier locations against ongoing media, NGO, governmental and academic reports and broader human rights trends.



Top image:

Photo taken during a factory visit and worker interviews as part of IOM research commissioned by Marshalls into the Vietnamese supply chain (credit: Elaine Mitchel-Hill, ESG & Human Rights Director, 2019)

Bottom image:

Photo taken of migrant workers in a non-Marshalls quarry in India (credit: Chris Harrop OBE, Group Director of Sustainability, Marshalls plc)

Activities for 2023

- › Having expanded our capacity to visit and engage with suppliers, we will be conducting more online and face to face meetings, both in Europe and further afield.
- › We are rolling out Everyone's Business for use by company employees visiting suppliers. This will allow us to identify risks in real time and react, providing a more dynamic view of our global supply chains.
- › We are implementing a digital platform for collecting data from virtual and physical audits, and other forms of supplier monitoring, in real time.

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: the Office of the Independent Anti-Slavery Commissioner, UK International Migration and Modern Slavery Envoy, the Gangmasters and Labour Abuse Authority (GLAA) 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 organised criminals engaged in modern slavery and human trafficking. Since our last statement, we have:

- › Reviewed, revised and strengthened our procurement human rights due diligence system and our processes.
- › Continued to ensure that office and site-based employees are exposed to modern slavery awareness training; specifically how to spot the signs and how to report, and our stance and policies.
- › Continued to deepen our engagement with suppliers with higher risk supply chains or in higher risk geographies.
- › Continued to implement an independent Modern Slavery Threat Assessment programme in our UK operations, reaching 32 locations this year.
- › Commissioned a third party to carry out a review of our UK manufacturing locations, checking of knowledge and understanding of modern slavery issues and protocols with management and staff.
- › Continued to actively engage with the UN, ILO Child Labour Platform, UK Government, overseas governments, international business associations and bodies on the issues of modern slavery.
- › Commissioned the IOM to carry out an in-depth study of how natural stone supply chains in Vietnam were recovering after the Covid-19 pandemic, and to understand what support suppliers needed to meet international standards in protecting human rights. This is a continuation of a partnership that started in 2019.
- › Commissioned a third party to independently review labour practices in our South Indian natural stone supply chain, checking on progress after more than a decade of work in the region.
- › Continued to provide intelligence to law enforcement in the UK, including the GLAA, local law enforcement, the Modern Slavery Helpline and via Crimestoppers.
- › Published our Modern Slavery Risk Analysis for 100% of our business operations and supply chains – making this publicly available.
- › Undertook advanced supply chain mapping for 100% of our natural stone highest risk supply chains.
- › Conducted a deep dive analysis of drivers of risk in particular regions to inform long term internal strategy.
- › Continued to actively engage with UK Government and associated bodies to address root causes of modern slavery.
- › Continued to work with Bright Future, and to be a founding member of its co-operative status, offering work opportunities to victims of modern slavery in the UK.
- › Commissioned a third party report on modern slavery risks in our UK materials supply chain. Categories covered included timber, cement, aggregates and polystyrene.

Detailed information regarding our progress in relation to each of our specific KPIs can be found in our End Modern Slavery Report at marshalls.co.uk/sustainability/document-library



VI. The training available to staff

Training is essential for raising awareness and ensuring that our staff, associates and suppliers are confident and equipped to recognise any signs modern slavery, exploitation or vulnerability in their daily operations or supply chains.

This is carried out both online, via the Marshalls Learning Zone, and face to face. We continually review our online tools to ensure that they are suitable and up to date with legislation. Online training modules will be rolled out to Marley employees in 2023 to ensure consistency of understanding and approach across our operations.

To reach non-connected staff (those who do not have easy access to a computer as part of their job), online activity is bolstered by education workshops, face-to-face meetings, newsletters, roadshows, conferences, emails, social media, public relations and communications activity. For inductions of new staff, further work is being done to ensure that all employees and temporary workers are aware of our policies on modern slavery and trafficking within a sustainability, ethical business and human rights context as they join the business.

All members of the procurement team engage in enhanced modern slavery training, engagement and e-learning. In 2023 we will be rolling out a training module on decent work in supply chains, developed by the UN Global Compact, to our procurement teams in Marshalls, as well as to colleagues in Marley and Viridian Solar.

During 2022, Marshalls continued its internal campaign with a refreshed programme of in-person modern slavery awareness training at UK locations. This will be expanded to Marley locations in 2023.

Other aspects of our drive to raise and maintain awareness internally include high level briefings to directors and the Board, briefing to marketing, procurement and human resources teams, briefings of works and facilities managers, as well as face-to-face meetings with key individuals.



In April 2022, Marshalls acquired Marley, UK leader in their field, manufacturing products such as concrete and clay roof tiles, roof fittings, timber battens, roof-integrated solar panels and roofing accessories. Our next statement will move towards integrated reporting for all businesses.

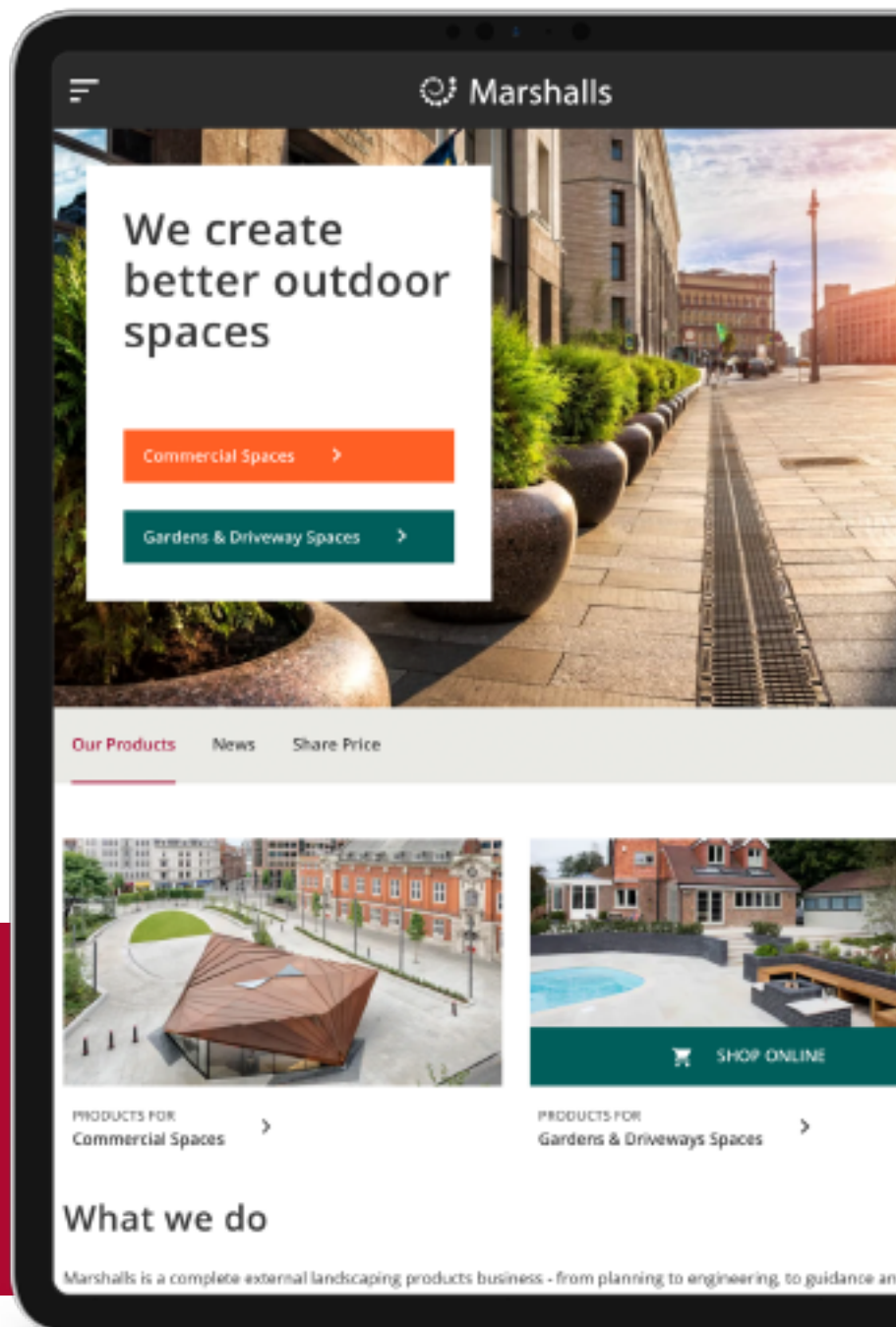


More information

For more information on modern slavery and other ESG-related reports and policies, please visit our website:



marshalls.co.uk/sustainability





Marshalls

Marshalls plc

Landscape House, Premier Way,
Lowfields Business Park, Elland HX5 9HT

