



Creating
better futures
for everyone



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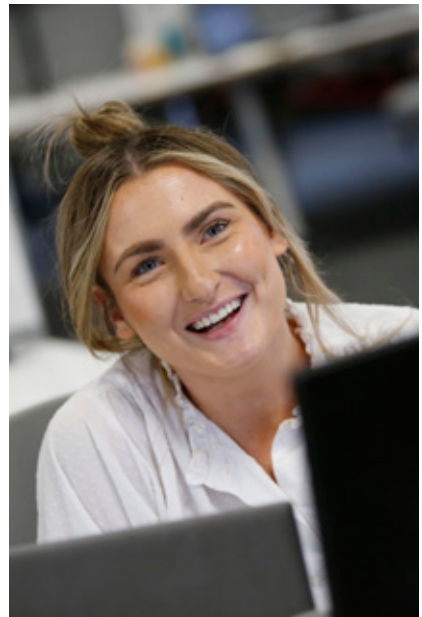
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Stay up to date with the latest news at marshalls.co.uk/sustainability



Welcome from Martyn Coffey, CEO

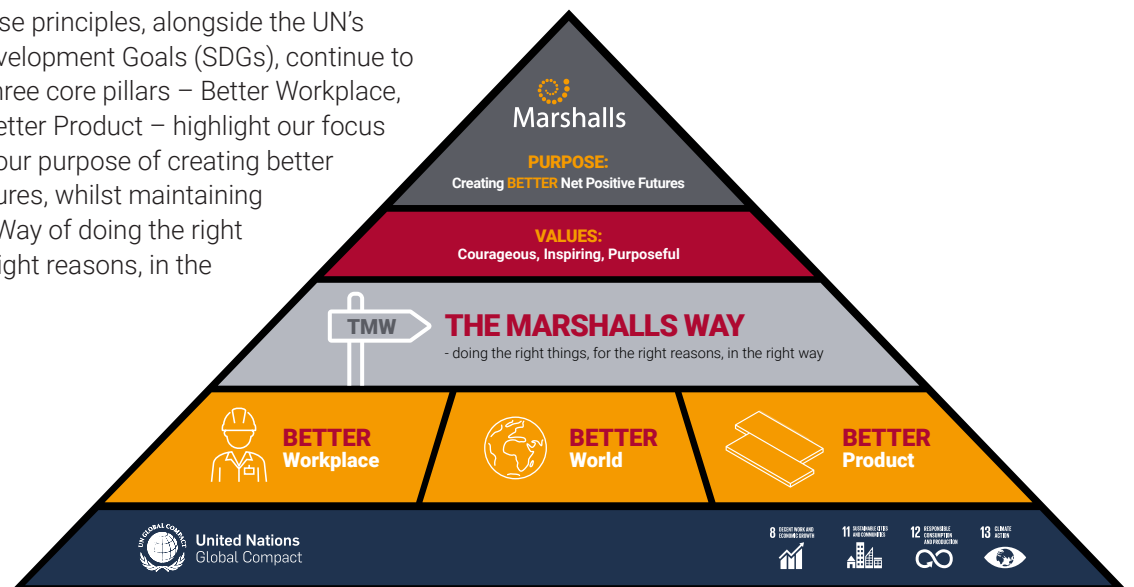


We are a responsible business and we believe we can make a positive impact on the world around us – in the products we make, the way we treat our people, and the way we operate.



What sustainability means to Marshalls

Our sustainability strategy is underpinned by the United Nations Global Compact's principles in the key areas of human rights, labour, the environment and anti-corruption. These principles, alongside the UN's Sustainable Development Goals (SDGs), continue to guide us. Our three core pillars – Better Workplace, Better World, Better Product – highlight our focus areas towards our purpose of creating better net positive futures, whilst maintaining The Marshalls Way of doing the right things, for the right reasons, in the right way.



Welcome to our Sustainability Report 2022 where we share with you our highlights of the year and the progress we've made against our targets.

The world around us continues to change rapidly, but our approach to sustainability remains clear. We are a responsible business and we believe we can make a positive impact on the world around us – in the products we make, the way we treat our people, and the way we operate.

Being responsible is also about being transparent. Following our acquisition of Marley in 2022, we put in place a programme of work to integrate our businesses. As part of this integration we are recalculating our carbon footprint in order to update our carbon reduction targets. Marley has a very different energy profile to Marshalls, so it's crucial we do this work which will enable us to put in place targets that we can externally validate.

We are still committed to net zero and move forward with some exciting projects.

We were pleased to announce in 2022 that we were the first UK concrete manufacturer to use CarbonCure technology. This is part of our carbon sequestration programme - a really innovative way of injecting waste carbon into our concrete bricks.

There are also great opportunities in lowering the carbon footprints of our products and communicating their environmental credentials through EPDs (Environmental Product Declarations). We now have three externally verified EPDs for our concrete bricks, solar PV modules and through mix concrete block paving, with more to come in 2023.

I look forward to making real progress in 2023 and to sharing our journey with you.

Martyn Coffey
CEO

Our ESG performance at a glance

Our performance in environmental, social and governance metrics

This ESG data sheet outlines our performance in key ESG areas - environmental, social, governance. The majority of these metrics do not yet include Marley as our ESG integration with Marley is in progress and the acquisition took place in April 2022.

Unless otherwise stated, this report covers the reporting period from 1 January to 31 December 2022. The data covers our UK and Belgium operations and those that do not yet cover Marley are highlighted in **bold**.

Corporate

Revenue (£m)

R&D investment (£m)

Fair Tax Mark accreditation

Number of employees

Charitable donations (£)

Number of staff disciplined or dismissed due to non-compliance with anti-corruption policy

Average days to pay a supplier*

BRE BES 6001 Responsible Sourcing of Construction Products

FTSE4Good constituent

Environmental

Absolute Scope 1 and 2 CO₂e emissions (tonnes) (market based)

Relative Scope 1 and 2 CO₂e emissions (kg per tonne of production) (market based)

UK water consumption (m³)***

UK waste generated (tonnes)

UK waste to landfill

UK energy consumption (MkWh)

UK sites with solar panels

Percentage of manufacturing sites with ISO 9001 for Quality Management

Percentage of manufacturing sites with ISO 14001 for Environmental Management

Percentage of manufacturing sites with ISO 45001 for Health and Safety Management

Percentage of manufacturing sites with ISO 50001 for Energy Management

CDP (Carbon Disclosure Project) score

People & Communities

Women on the Board****

Women in senior management

Women in workforce

Living Wage employer

Employee engagement score

Work related employee/contractor fatalities

Mental health first aiders

Active apprentices

Imported stone with Ethical Risk Index scores

BRE BES 6002 Ethical Labour Sourcing

* Average based on July-December figures for all years.

** Location based.

*** See page 22 for restatement of information.

**** As at March 2022.



	2022	2021	2020	2019
	719.4	589.3	469.5	541.8
	3.5	3.1	3.1	5.5
	Yes	Yes	Yes	Yes
	3,112	2,700	2,659	2,580
	33,901	103,500	183,000	168,000
	0	0	0	0
	42	41	40	44
	Yes	Yes	Yes	Yes
	Yes	Yes	Yes	Yes

	2022	2021	2020	2019
	36,295	37,572	37,969	52,577**
	6.65	6.46	7.70	9.21**
	265,745	273,507	252,964	320,314
	202,544	214,960	132,269	148,700
	0.13%	0.4%	0.8%	0.8%
	190,578	199,016	178,682	215,836
	2	2	1	1
	85%	81%	100%	100%
	85%	81%	100%	100%
	85%	81%	100%	100%
	100%	97%	97%	97%
	B	B	B	D

	2022	2021	2020	2019
	43%	43%	43%	43%
	31%	35%	29%	22%
	16%	18%	16%	13%
	Yes	Yes	Yes	Yes
	7.6	7.6	7.6	n/a
	0	0	0	0
	62	53	42	60
	142	102	99	50
	100%	100%	100%	100%
	Yes	Yes	Yes	Yes

43%

women on the Board (compared to 40.2% in FTSE 350)

25

average days to pay a small business

100%

imported stone products with Ethical Risk Index scores

62

Mental Health First Aiders

142

active apprenticeships

0.13%

waste to landfill

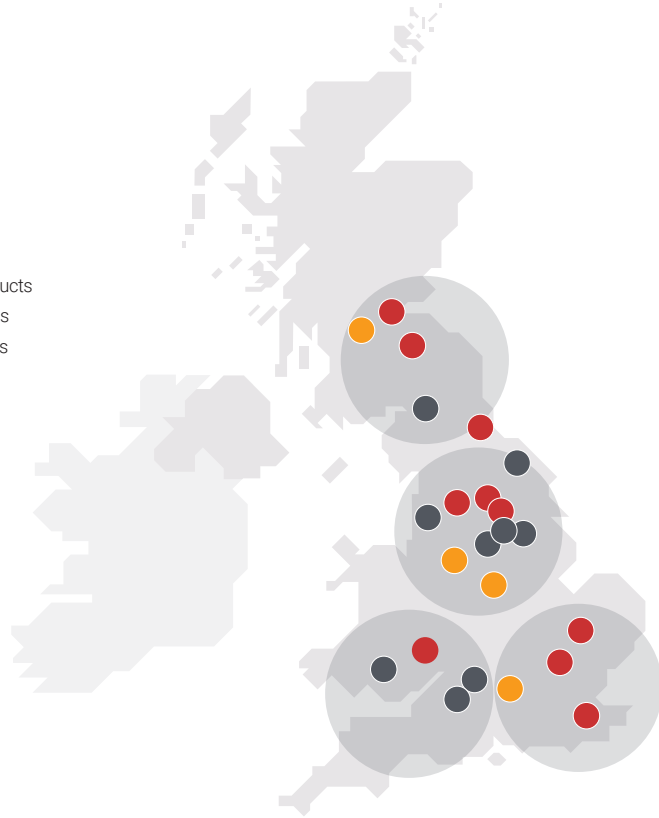
Scope of operations


The UK's leading manufacturer of hard landscaping products

Where we operate

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

- Landscape Products
- Building Products
- Roofing Products



 Marshalls

Landscape Products

Comprises the Group's Commercial and Domestic landscaping business, Landscape Protection and the International businesses.

- Paving
- Kerb
- Edgings
- Walling
- Protective street furniture



 Marshalls

Building Products

Comprises the Group's Civils and Drainage, Bricks and Masonry, Mortars and Screeds, and Aggregates businesses.

- Drainage and water management solutions
- Concrete bricks
- Masonry
- Mortar
- Screeds
- Aggregates



 Marley

Roofing Products

Comprises the Marley Roofing Products business, offering a comprehensive roofing system.

- Concrete tiles
- Clay tiles
- Timber battens
- Roof integrated solar panels

UN Sustainable Development Goals

Sustainable Development Goals material to Marshalls:



Our approach to the UN's Sustainable Development Goals (SDGs)

Over the last two years, we have reviewed our impact on each Sustainable Development Goal (SDG) that is material to Marshalls. We have also taken a more granular view and reviewed each goal's associated targets.

Our process is detailed in the diagram and sets out our activities to 2025. We have completed Step 1 by understanding each SDG and its associated targets, prioritising and relating to our strategic objectives and analysing our contribution at target level. See the case study below for an example of how we're contributing to SDG 8 for Decent Work and Economic Growth.

Before we move on to Step 2 to measure and analyse, we will be undertaking a review to include Marley in this process. Whilst the review is taking place, we will be looking to set objectives and define metrics, as well as starting the process of collecting and analysing relevant data – linking back to our material SDGs.



Case study

Social value

Goal 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities and equal pay for work of equal value.

Social value plays an important part in the built environment and construction industry. It's a term used for the value an organisation provides to society.

Ways to contribute to social value could be by helping local people into employment, supporting local businesses or working with young people on improving their employability skills.

In 2022, we started a partnership with RNN Group and Rotherham College to create the Marshalls Academy. This partnership enables us to engage with brickwork students on a range of activities.

The project includes curriculum planning, mock interviews and employability skills workshops, and site visits.

Here we are able to provide employability skills to young people in local communities, share construction expertise in order to inform the curriculum, help young people understand the requirements of employers, and showcase Marshalls as an employer of choice.



Read more about our sustainability news on our website:
www.marshalls.co.uk/media



Materiality assessment

Materiality matrix

This is our third materiality matrix for ESG and sustainability. In 2020, we published our first matrix and set out the process used to develop it. The following year, the matrix was further updated following a comprehensive review. Our 2022 materiality matrix continues to be based on the SASB Standards for Construction and the UN Sustainable Development Goals, and it's aligned to our risk heatmap (see our Annual Report 2022).

Review process

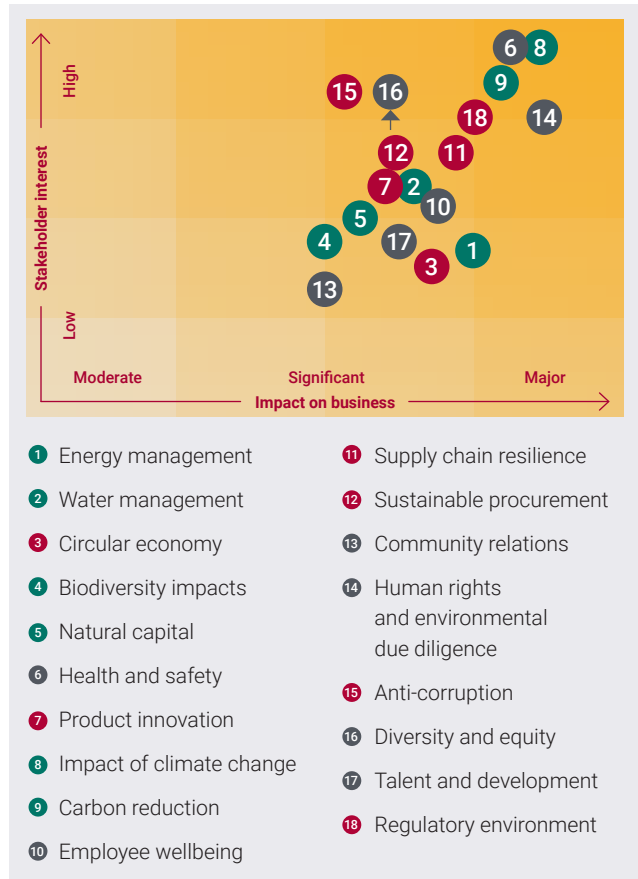
The materiality review process takes into consideration the issues that matter most to our stakeholders and have impact on our business, whilst linking back to our strategic objectives. Using a combination of desk research, analysis of industry issues and stakeholder feedback, the matrix is then analysed and reviewed.

2022 review

The newly formed ESG Steering Committee has conducted the 2022 review. They concluded that key material issues continue to be relevant and still broadly fall in the categories of **environment**, **people** and **responsible business**. Due to increased attention on DERI (diversity, equity, respect, inclusion), the one issue that has moved is 16: Diversity and equity. We see this area as having increased stakeholder interest.

Next review

With the acquisition of Marley into the Marshalls Group, the ESG Steering Committee concluded that the 2023 materiality review will fully reflect Marley's addition to the Marshalls Group.





2022 Achievements

- New charity partnership with Trussell Trust
- Marshalls Academy at Rotherham College
- Reporting alignment to Global Reporting Initiative (GRI) and revised Ethical Trading Initiative (ETI) and UNGC frameworks
- Gold membership of Supply Chain Sustainability School

2023 Priorities

- Progress with Barnardo's Gap Homes project
- Reporting alignment with SASB standards
- Formalise social value programme
- Undertake full materiality review to include Marley

Fair Tax Mark

Committed to paying our fair share of tax and Fair Tax accredited since 2015

Living Wage employer

100% of Marshalls' employees receive the real Living Wage (as defined by the Living Wage Foundation)

Social value

Marshalls started looking at social value 22 years ago when we published a report on wellbeing in the public realm. Working with a think-tank, we were able to link the positive effect that our products can have on wellbeing around urban landscapes.

In 2022, we started to link social value to tangible activities where we can begin to measure our impact. Our social value portfolio consists of engaging with education, working with charities and donating product for community projects.

We will be refining our approach to social value in 2023 by putting together a programme of work which will quantify the social value we contribute and inform the projects we choose to engage with.

Working with charities

Our national charity partner for 2022 is the Trussell Trust, which was chosen by our people. The Trussell Trust provides emergency food and support to people locked in poverty, and campaigns for change to end the need for food banks in the UK.

In 2022, we made charitable and food bank donations, gave match funding to the Ukraine humanitarian appeal and donated £10,000 to the Royal Society for the Protection of Birds (RSPB) as part of our commitment to biodiversity.

Supply Chain Sustainability School

Marshalls is a founding partner of the Sustainability School and as part of our Gold membership, we actively engage by curating sustainability training content for our colleagues and participating in Leadership and Special Interest Groups.

Supporting small businesses

Marshalls has demonstrated its commitment to small businesses as defined by the Department for Business, Energy & Industrial Strategy (BEIS), by introducing a new shorter payment term for small businesses. This has seen payments to small businesses reduced to 25 days on average, with 79% paid within 30 days and represents 16 days being removed from the payment cycle. Across all suppliers, payments made within 60 days have been maintained at 93%, which is an average of 42 days.

93%

supplier payments made within 60 days

Sustainability reporting

This Sustainability Report has been prepared in accordance with the new GRI Standards: Core option and SASB standards – see details on pages 27–33. We welcome developments in the sustainability reporting space and look forward to aligning our disclosures with international standards.

Working with local communities

Marshalls started working with Barnardo's in 2022 to support their Gap Homes project. This project will enable Barnardo's to provide accommodation for young people leaving care. As part of this project, Marshalls is providing landscape design for outdoor spaces as well as product donations including paving.

Working with colleges

As part of our engagement with UK further education colleges, we have made product donations to Burnley College and Accrington & Rossendale College in Lancashire as well as donating 10,000 concrete bricks to the NHBC (National House Building Council) Training Hub in Tamworth for use in training bricklaying apprentices.

In 2022, we created the Marshalls Academy at Rotherham College in South Yorkshire. This partnership engages with brickwork students through curriculum planning, mock interview and employability skills workshops, industry-focused workshops and site visits.

Health and safety



Our five-year health and safety strategy is aligned with the business strategy with set objectives, and clearly demonstrates our commitment to take the safety and wellbeing of our people to the highest level.

2022 Achievements

- Reduction in lost time incident frequency rate
- 62 Mental Health First Aiders
- Alignment of Marshalls and Marley health and safety function
- Award wins for employee wellbeing strategy and crane safety improvement project
- 26,969 training hours on health, safety and environment

2023 Priorities

- Introducing a Roadmap to Compliance
- Simplifying our policies
- Continuing with the rollout of root cause analysis training and incident investigation
- Internal recruitment and training of MHFAs at Marley sites
- Continuing to develop a positive safety culture by reinforcing our recognition of good behaviours and continuing rollout of the Fair and Just Approach

85% of our manufacturing sites have BS EN ISO 45001:2018 for Health and Safety Management Systems in place (2021: 81%).

In 2022, no health and safety incidents led to work-related employee or contractor fatalities. Those health and safety incidents that led to injuries were reported to the HSE under RIDDOR and were investigated firstly by site, then by the Health and Safety Department which reports to Marshalls' Executive Board.

Training

Health, safety and environmental training was delivered to colleagues, amounting to just under 27,000 hours. Our Drug and Alcohol Policy training programme started in 2021, with awareness videos available to all staff, as well as posters and flyers at sites. This was followed with compliance training which was launched in the first half of 2022.

Employee engagement

Marshalls is committed to employee involvement in health and safety improvements. All operational sites operate SHEQ meetings, and the SHE Team has a quarterly review. Every month, a meeting between the Group SHE Director, CEO, CFO and COO takes place to discuss health and safety data and improvements, review strategy, and discuss and monitor legislation changes. The Board receives updates on health and safety on a monthly basis.

Trade Unions are also involved in the development of health and safety, with the Group SHE Director meeting with unions every six months as well as monthly discussions with the union convenor.

26,969

hours on health, safety and environmental training (2021: 18,061)

85%

manufacturing sites with ISO 45001 in place (2021: 81%)

62

Mental Health First Aiders (2021: 53)

1.7

lost time incident frequency rate per million hours worked (2021: 2.68)

Putting employee wellbeing first

In 2022, we continued our focus on employee wellbeing by delivering our three-year strategy. Since colleagues helped us shape our programme and Simon Bourne, our Chief Operating Officer, became our Executive sponsor, we've seen it go from strength to strength.

Through our intranet, Marshalls NOW, all Marshalls colleagues have access to a dedicated area for wellbeing, providing education and support. This one-stop-shop is accessible by all colleagues at any time, on any device. Here, colleagues can access our four wellbeing pillars (physical, mental, financial and social) where they can find support, hints and tips that support their wellbeing.

Award winning programme

Marshalls was awarded the "Best Strategy for Employee Wellbeing" award at the Engagement Excellence Awards 2022. The judges commended our collaborative working across functions as well as consideration for the employee voice.



Comments from the judges included:

"Fantastic to see senior sponsorship of the strategy and that its three years demonstrates the buy-in into this" and "The wellbeing strategy is clearly built on collaboration and creativity... Marshalls should be really proud of what they've achieved on their wellbeing journey".



Supporting Healthy Minds

Case study

Mental Health First Aiders

Marshalls has a strong network of 62 trained Mental Health First Aiders (MHFAs). We continue to support our MHFAs by providing supervised sessions with clinical therapists through CiC, our employee assistance programme. We also have a programme of refresher training on mental health and wellbeing, as well as a Supporting Healthy Minds Working Group which collaborates with unions. A key focus in 2023 will be on training managers on mental health and managing change. We will also be integrating our processes with Marley in order to share our wellbeing resources and promoting access to our MHFA network.



62

Mental Health First Aiders
(2021: 53)



Case study

Road safety training

We run a fleet of around 200 HGV vehicles, delivering mainly to building sites, merchants yards and to the public. As such, we are keen to engage with local communities on road safety.

In 2022, our qualified and experienced driver trainers visited primary schools in West Yorkshire and Cambridgeshire to deliver training to groups of primary schoolchildren. Covering different types of HGVs, potential dangers and hazards, the session was interactive with a vehicle demonstration in the playground to explain and show blind spots to the children.

We're looking to do further training with schools located near our manufacturing sites in 2023.

MPA HEALTH & SAFETY AWARDS

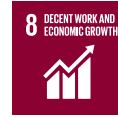
SAFER BY SHARING



- Winner of Safer Transport and Logistics Award for Crane Improvement Project
- Finalist in Safer Transport and Logistics Award for School Awareness Project
- Finalist in Supporting Healthier Minds and Employee Wellbeing
- Finalist in Young Persons in Safety Award for Sam Wood, Operations Team Manager at West Lane
- Highly Commended for Safer Handling of Inbound and Outbound Materials Award for Concrete Block Board Exchange at Ramsbottom
- Highly Commended for Safer Together Award for 'See it, Sort it & Go and See' Gas Walks at Brookfoot
- Highly Commended for Safer Transport and Logistics Award for SLAM (Stop, Looks, Assess, Manage)

Human rights

Human rights



2022 Achievements

- Commendation for Disruption of Supply at the Data to Disrupt Trafficking Awards 2022
- Implementation of an independent Modern Slavery Risk Assessment and training programme at 32 of our manufacturing sites in the UK
- Part of successful funding bid for Home Office Modern Slavery Innovation Fund

2023 Priorities

- Launch Everyone's Business app
- Launch Safecall whistleblowing hotline to overseas supplier operations

Marshalls is 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.

We respect 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.

Modern Slavery reporting

As a business with a turnover in excess of £36 million, Marshalls is legally required to produce an annual Modern Slavery Statement. We must publish this on the homepage of our website and upload to a UK Government Repository, in order to be compliant. Within our statement, we report on the following key areas: organisational structure and supply chains, risk assessment and management, actions taken to prevent modern slavery, policies, training, processes and progress.

We also publish a Modern Slavery Report which outlines the steps we have taken to ensure that slavery and human trafficking are not taking place in any of our supply chains or businesses. The report details the comprehensive programme of work Marshalls and its partners have developed to eradicate slavery and uphold human rights. Our Modern Slavery Risk Analysis Report looks at our risk assessment process and shows country risk profiles of our supply chain which have been compiled by our internal Market Intelligence Team. The data used is gathered from the best global publicly available data.

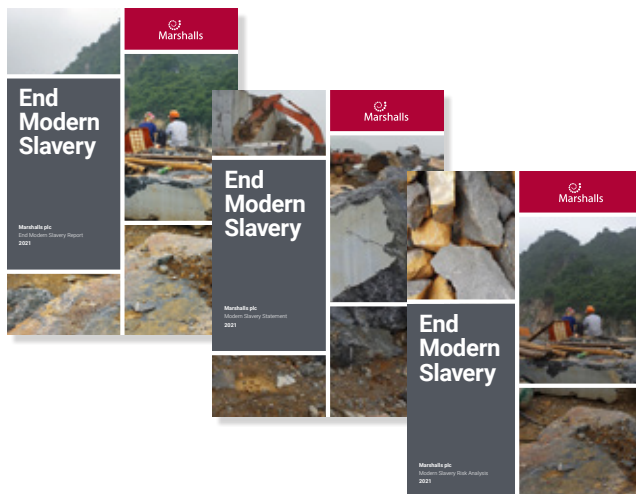
Our CEO, Martyn Coffey, signs our annual Modern Slavery Statement and has overall Board responsibility for Human Rights.

Every year, Marshalls takes part in a modern slavery statement peer review facilitated by the UN Global Compact. This enables us to engage with other companies and share best practice.



As the world transitions out of high carbon industries, the focus now is on how best to ensure that the full range of human rights considerations and approaches are built into transition strategies at every level. Our human rights approach is focused upon the impact on our global supply chains and we're engaging with UN partners, other agencies and communities as we all work for a just transition.

Elaine Mitchel-Hill,
ESG and Human Rights Director



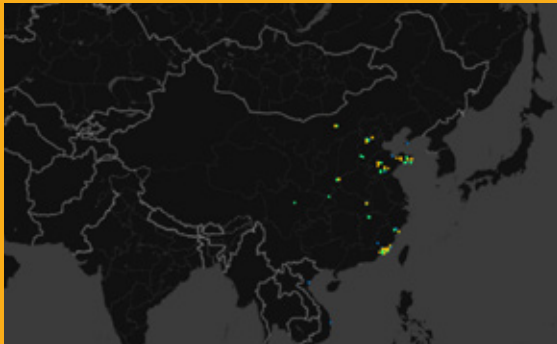
Read our Modern Slavery Statement at:
<https://www.marshalls.co.uk/sustainability/document-library>

Human rights due diligence

Marshalls classifies 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 and 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 our default position is to source from suppliers where we are able to trace back to the raw material.



Case study

Supply chain mapping in China

In 2022, we embarked on the most detailed mapping process of our natural stone supply chain in China to date, identifying tiers one to three, from factory to quarry level.

Our local China-based team, Marshalls Xiamen, provided geocoordinates for each premises. We then used risk analysis tools supplied by Verisk Maplecroft to map out the environmental, social and human rights risk for each location.

Supply chain-specific analysis was conducted in parallel with an extensive review of NGO and academic reports on the region. We are using this research to inform our next steps for engaging with suppliers and workers, including the introduction of monitoring tools and the rollout of a worker hotline.

Photovoltaic manufacturer 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.

We continue to:

- Map our activities in relation to our 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
- Expanded our capacity to visit supply chain partners. In 2023 we will be visiting some of our European supply chain to conduct second party audits, as well following up with suppliers in high-risk regions on Slavery & Trafficking Risk Template (STRT) assessments
- We are rolling out the Everyone's Business app for 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



Case study

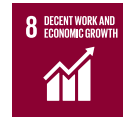
Modern slavery training in the UK

As part of our commitment to training our colleagues on modern slavery, we deliver a mix of online and onsite training. Online training is available on our dedicated platform, the Marshalls Learning Zone.

In 2022, we also delivered a programme of modern slavery training awareness to colleagues at 32 of our manufacturing sites. Starting with director and manager interviews, training was followed with toolbox talks and tailored training materials.

Overall, feedback was positive and the identified areas for improvement will form part of our 2023 training plan which includes engaging with more colleagues at different sites and bespoke training for our procurement team.

Labour standards



ETI Base Code

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

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

2022 Achievements

- 142 apprenticeships
- 95% of colleagues disclosing diversity data
- Accreditation of BES 6002 Ethical Labour Sourcing
- Launch of the Marshalls Data Academy
- Living Wage employer
- Women's Empowerment Principles (WEPs) signatory

2023 Priorities

- Set localised diversity targets as part of our DERI programme
- Roll out ETI Base Code video to overseas suppliers
- Increase apprenticeship opportunities

In 2019, the gender split of our workforce was 87% male, 13% female. Based on our staff survey in 2022 (excluding Marley), this split is now 82% male and 18% female.

Supplier training

In 2022, we produced a video for our overseas suppliers. Available in Mandarin, Hindi, Vietnamese and English, the videos communicate the ETI Base code in detail. We have a supplier engagement and communications programme in place and the videos will be released to suppliers in 2023.

ETI Base Code Implementation and Training



Employee Voice

In the UK, Marshalls formally recognises Unite and GMB unions. In line with the ETI Base Code, Marshalls employees have the right to form trade unions of their own choosing and to bargain collectively.

In the non-unionised areas of the business, we have our elected Employee Voice Group (EVG). The EVG held six official meetings in 2022 and it has been invited to steer the business across a number of areas, including our Reward strategy and our HR and people activity.

Members of the EVG all played a key role when discussing topics and sharing suggestions like the creation of the company car newsletter, corporate charity partner selection and representation on the Pensions Governance Committee. They've provided deep insight into the core focus areas from the employee surveys – personal growth and development and employee wellbeing – and helped the business build a tangible action plan that will make a difference to all colleagues.

Leadership and development

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

Apprenticeships

2022 has been another successful year for apprenticeships at Marshalls, with 142 employees engaged in apprenticeship programmes (Level 3 to Level 7), and 37 employees successfully graduating from their apprenticeship programme.



View our latest Annual Report here:
www.marshalls.co.uk/investor/results-reports-and-presentations



Diversity and inclusion

Diversity, equity, respect and inclusion (DERI)

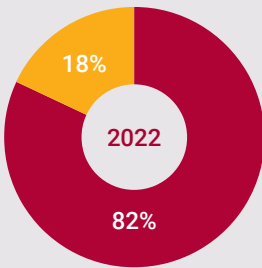
Our new HR system, Marshalls Connect, has given us an opportunity to collect up-to-date diversity data from colleagues to better understand our workforce and what we need to do to be better. Colleagues disclosing some or all of their diversity data has increased to 95% in 2022. This demonstrates the progress we've made on our DERI (Diversity, Equity, Respect, Inclusion) journey.

Since our DERI strategy launched in 2019, we've built solid foundations. We know there's more to do and our plans for 2023 will continue to move us forward to make Marshalls a place where everyone wants to work. We're taking the approach of delivering small changes as these will have a greater impact in changing our overall demographics. We'll be setting small yet achievable localised diversity targets and plans to influence change, tracking and reporting on our progress.

Women's Career Network

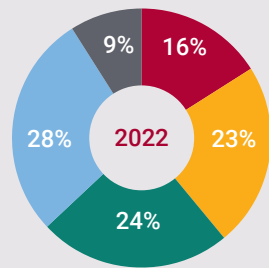
At Marshalls, we respect everyone by embracing each other's opinions, experiences and diversity. Since we started our first female lunch and learn events back in 2020, we've expanded so that any female colleague across the Group can take part. In 2022, the Women's Career Network held six sessions with over 50 regular attendees, who've heard from a mix of internal and external speakers discussing topics from imposter syndrome to personal development and personal branding. This network is an opportunity for our female colleagues to come together from across all locations to support not only each other, but Marshalls too. We've seen attendees reach out and connect, share their knowledge, make introductions and, in some cases, mentor/mentee relationships have developed. Ongoing development of other employee networks continues for ex-forces and our PRIDE groups.

Gender split



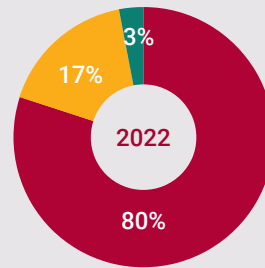
- Male
- Female

Generational representation



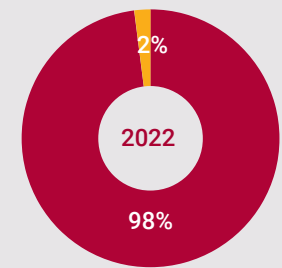
- Aged under 30
- Aged 31-40
- Aged 41-50
- Aged 51-60
- Aged 61+

Ethnicity



- White British/White other
- No disclosure
- Minority ethnic group (Asian, Black, mixed/multiple heritage or other minority ethnic groups)

Disability



- No disability
- Disability



An industry is only as good as its people. Improving diversity and inclusion in the workplace is a challenge for all sectors, and especially for construction. We continue to send out a strong message that construction is a viable and attractive career choice for people from all backgrounds. We want for our own organisation, as well as the wider construction sector, to embrace and benefit from a workforce that reflects the diversity of today's society across the UK.

Louise Furness,
Chief People and ESG Officer

Governance and risk



Impact of climate change

Understanding we're no longer at a point where we can prevent climate change, our strategy focuses on mitigating the worst effects of climate change by delivering our science-based targets for carbon emissions reduction and efficiency in our manufacturing processes. For products, it's about reduced carbon emissions and mix design.

Our adaptation strategy focuses on the products we can develop to adapt to a world impacted by climate change, such as flood alleviation and urban heat island.

In order to define substantive impacts on the business from climate change, we have a formal ongoing process to identify, assess and analyse risks and opportunities. Risks and opportunities are discussed and actioned at different levels of the organisation.

The Board

The **Board** provides leadership and direction for the Group, ensures appropriate systems and processes are in place to monitor and manage Group risk, and is responsible for financial performance and corporate governance.

The **Energy and Climate Change Policy Statement** is reviewed by the Board and signed by the CEO.

Marshalls' **CEO** has overall responsibility for climate-related issues.

The **Audit Committee** has delegated responsibility from the Board to oversee risk management and internal controls. It reviews the effectiveness of the Group's risk management and internal control procedures, and monitors the effectiveness in the internal audit function and the independence of the external audit.

Executive Management

Marshalls' **Executive Team** is responsible for operational management and management of climate-related risk. The team identifies and reviews matters for recommendation to the Board.

The ESG Steering Committee reports to the CEO. It was set up to bring together key decision makers in the business, including Marshalls' CEO, CFO and COO, into one committee to ensure a joined-up and consistent approach to all ESG initiatives. Working together collaboratively, the Committee makes decisions, provides advice and builds proposals for the Executive Team and the Board.

Directors

The **Chief People & ESG Officer** and **ESG & Human Rights Director** provide strategic input and vision to the management of climate risks and opportunities.

The **Chief Operating Officer** has group responsibility for delivering the sustainability strategy and roadmap at operational level.

Divisional Directors report to the Executive Team and are responsible for operating all manufacturing and operations across the Group.

Group Risk Register

There is a formal ongoing process to identify, assess and analyse risks and those of a potentially significant nature are included in the Group Risk Register. The register looks at likelihood, financial impact and control effectiveness. All risks are aligned with the Group's strategic objectives and each risk is analysed for impact and likelihood to determine exposure and impact to the business and the determination of a 'gross risk score' enables risk exposure to be prioritised.

The register also looks at the financial impact of reputational risk. One of the register's sections is Environment, though climate

change also impacts on other sections including Economic and Ethical (environmental link to human rights). The Group Risk Register is compiled by managers from all areas of the business. It is reviewed and updated by the Executive Team at least every six months and presented to the Board and Audit Committee for approval.

The overall process is the subject of regular review. Risks are recorded with a full analysis and risk owners are nominated who have authority and responsibility for assessing and managing the risk.

 Read more about our TCFD disclosure in the Annual Report on pages 50 and 51



Analysing physical risk

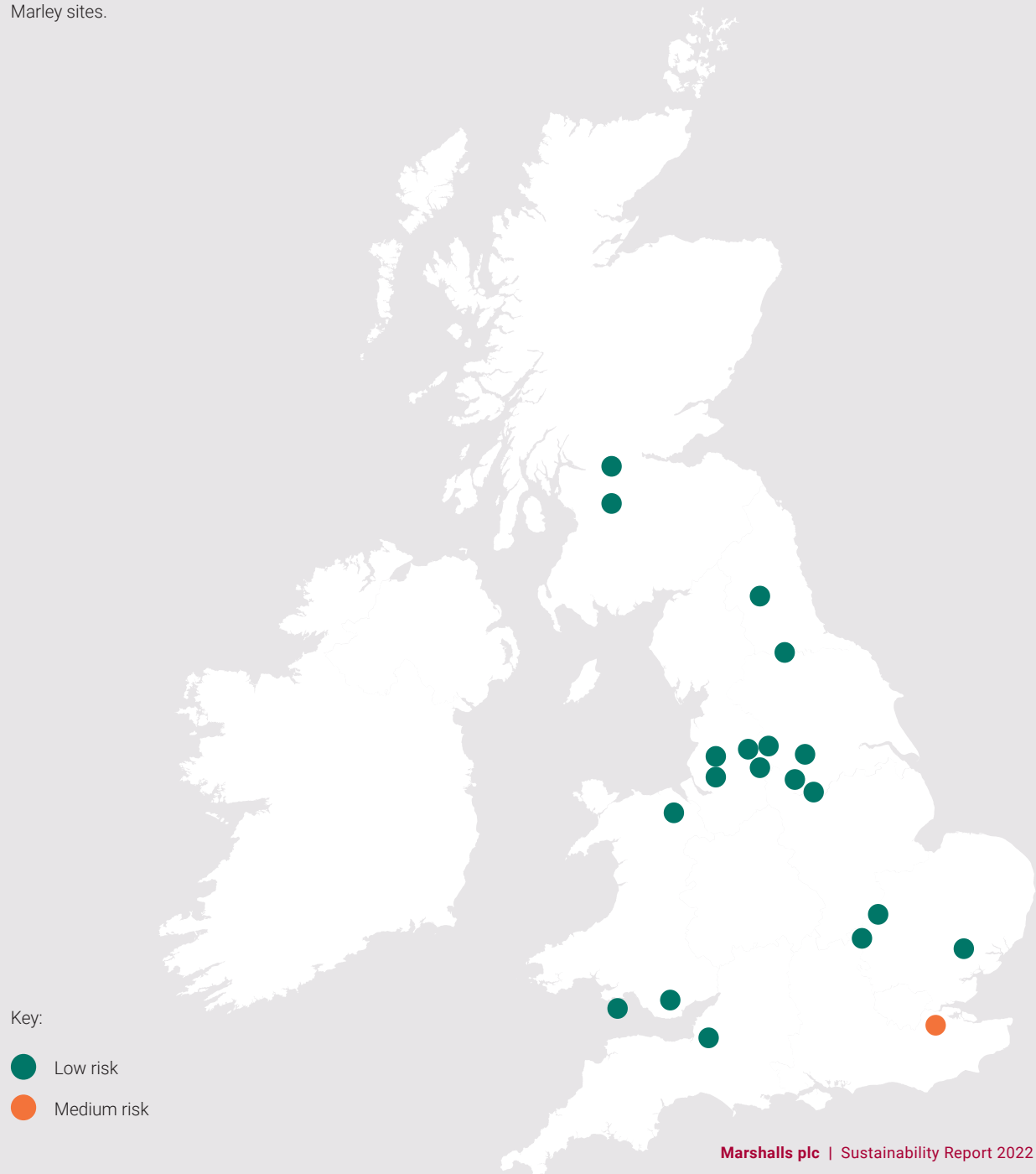
Since 2020, we've been using Verisk Maplecroft data to assess risks related to climate change, at site and regional level. Using the data, we can identify both acute and chronic environmental risks. The data analysis also gives us a long-term picture of the sites which are in higher risk areas, for example those in flood-risk or sea level rise locations. The map represents UK sites in 20 locations, producing over 50,000 tonnes per year (2020 data).

In 2022, we started to analyse our Marley and Belgium sites for physical risk. As the data gives a long term picture of overall environmental risk, we are now looking at specific elements of this risk in order to identify the key physical risks for each site. This map will be updated further to data changes and our full analysis of Marley sites.

Initial analysis shows this to be predominantly heat stress, water stress and high winds. Our climate disclosures work will look to further refine this in order to classify risk for our sites.

Acute physical risks are event-driven and include extreme weather events such as flooding.





Chronic physical risks are longer-term changes in weather patterns that may cause sea level rise or chronic heat waves.



Transition risks

Transition to a low carbon economy will bring challenges. Identifying and quantifying these transition risks will enable us to better prepare the business for the impact of climate change.

Key:  Low  Medium  High

Type	Risk	Impact
<p>Policy and legal</p> <p>High likelihood Short-medium term</p>	<p>We mitigate corporate, legal and regulatory risks with our centralised legal and other specialist functions, the use of specialist advisers and ongoing monitoring and training. Our sustainability strategy focuses on mitigation and adaptation and we employ compliance procedures, policies, ISO standards and independent audit processes which seek to ensure that regulatory and compliance procedures are fully complied with. We are also aware of our commitments to climate-related regulations including SECR, ESOS Phase 3 and mandatory TCFD reporting. For future reporting, we are closely monitoring developments in biodiversity reporting with TNFD (Taskforce for Nature-related Financial Disclosures), changes in UK and global sustainability reporting standards such as the ISSB and the UK TPT (Transition Plan Taskforce), as well as global and UK legislation changes.</p>	
<p>Technology</p> <p>Medium likelihood Short-medium term</p>	<p>Threat from new technologies and business models due to increased pace of digital change is relevant because any failure on our part to not embrace new technology could lead to reduced business efficiency and reduced competitive advantage. The nature of the risk is that there could be a reduction in demand in traditional products and the associated reduction in volumes. The ongoing diversification of the business, continued development of the Marshalls brand and the focus on new products and greater manufacturing efficiency continue to mitigate this risk. Research and Development is committed to developing new sustainability-driven products as part of our adaptation strategy, such as CarbonCure technology for carbon sequestration and Tri-blend powder technology for our cement replacement programme.</p>	
<p>Market</p> <p>Medium likelihood Short-medium term</p>	<p>Marketplace impacts directly related to climate change include adverse impact on material costs and reduction in production volumes and associated energy efficiency. We mitigate this by closely monitoring trends, investing in product development, maintaining a national network of manufacturing and distribution sites to reduce product travel time/distance to the customer, and focusing on brand, quality, service, reliability and ethical standards that differentiate Marshalls from our competitors. There is also a risk of competitors bringing lower carbon alternative products to the marketplace before us. We continue to work on our cement replacement programme and have product development programmes in place for cement-free concrete.</p>	
<p>Reputation</p> <p>Medium likelihood Short term</p>	<p>Marshalls has a strong brand which could be financially impacted by reputational loss. The risk of prosecution would lead to reputational loss and with an increasing penalty regime, a financial impact if found to be failing in our compliance. Any failings on mandatory reporting also threatens the company's reputation. Key risk indicators are increased regulatory and compliance requirements, integration requirements for new acquisitions, and significant increases in the penalty regime for environmental incidents. The changing landscape of governance, regulation and reporting continues to increase risk in this area.</p>	



 Read more about our TCFD disclosure in the Annual Report on pages 50 and 51



Physical risks

Physical risks that result from climate change can be acute or chronic. The need to understand and mitigate these risks is clear for us, both at site and global level.

Key:  Low  Medium  High

Type	Risk	Impact
<p>Acute</p> <p>Medium likelihood Medium-long term</p>	<p>Acute physical risks are event-driven and include extreme weather events such as flooding. Key risk indicators for Marshalls are prolonged periods of bad weather as well as snow, ice and floods which can make ground working difficult or impossible at sites. In order to assess climate change vulnerability at site level, we have analysed every Marshalls site (including Marley) using Verisk Maplecroft data on climate risk including heat stress, water stress and sea level rise.</p> <p>Key risks identified by the analysis are water stress, heat stress and high winds. Heavy rainfall can also impact production at quarries and can make on-site transport operationally difficult. Sites which are situated on top of hills are more vulnerable to high winds. We mitigate acute physical risks by ongoing analysis of weather data, site-based climate risk analysis, and product development. The longer-term implications of climate change give rise to the transition risk of addressing the challenges quickly enough.</p>	
<p>Chronic</p> <p>Medium likelihood Medium-long term</p>	<p>Chronic physical risks are longer-term changes in weather patterns that may cause sea level rise or chronic heat waves. For Marshalls, this is likely to impact on security of raw materials. The development of resilience strategies for climate change is a key element of our Climate Change Policy and we mitigate this risk by collaborating with suppliers to ensure any supply risks are minimised. We continue to closely monitor the situation and we're conscious that chronic physical risks will in the longer-term have an impact on our supply chain and human rights. We have begun to work on our own human rights and environmental due diligence processes to address this. We have also conducted scenario analysis on our natural stone supply chain.</p>	



Case study

Data analysis

Prolonged rainfall patterns disrupt the demand for landscape products.

For Marshalls, this may mean a reduced demand for domestic products such as Driveline (an affordable block paving for driveways) which is not as easy to install in wet conditions.



Exceptionally cold weather, rainfall and snow can delay the installation of landscaping products by impacting on the supply chain.

Marshalls' data analysts look at weather data in order to produce monthly analysis on the effect of dry and wet days/weeks and their impact on sales.

Opportunities

Though climate change brings risks to our business, it also offers opportunities for us to explore. We continue to work on ways we can develop our products and make our processes more efficient.



Key:  Low  Medium  High

Type	Opportunity	Impact
Resource efficiency	<p>Marshalls operates a fleet of vehicles as well as company cars. Fuel efficiency and reducing pollution are two major areas of focus. The priority is to ensure we are investigating alternative modes of transport and reducing our reliance on petrol/diesel as fuel of choice. We are looking into electric cranes, fork lift trucks and company cars, investigating different fuels and sources of energy, and different modes of transport.</p> <p>There is opportunity to employ more efficient ways of manufacturing our products. This includes cement replacement and innovations in curing processes – both of which have a positive impact on carbon reduction. One example is the work we’re doing on carbon sequestration by using CarbonCure mineralisation technology to inject waste carbon into our concrete bricks.</p>	
Energy source	<p>We have invested in solar energy and we are looking into wind energy as an alternative source of energy. In 2022, we removed red diesel from our fuel sources and continue to engineer higher emission fuels out of the business by replacing them with lower emission alternatives. As a business, we currently use different fuels for heating, curing, our fleet and our manufacturing processes.</p> <p>In order to achieve our carbon reduction targets, we are focusing on alternative fuels and operational control of the heating of sites. We have been doing this by upgrading or replacing equipment and introducing lower emitting fuels such as bio LPG (liquefied petroleum gas) and natural gas, as well as introducing building management systems.</p>	
Products and services	<p>Planning regulations aimed at tackling the effects of flooding caused by climate change encourage the use of permeable paving or sustainable urban drainage solutions (SuDS). With precipitation patterns changing, having a product offering that mitigates some of the effects of climate change is an opportunity. We introduced a permeable paving product offering some years ago and we continue to develop this.</p> <p>Driven by a combination of stronger awareness and stricter guidelines, consumers want to manage their own carbon footprints by choosing low carbon products or seek to offset their carbon impact, so reducing their own impact on climate change. Our product carbon footprint information is now included in our Environmental Product Declarations (EPDs). We have EPDs for concrete bricks, solar PV modules and through-mix concrete block paving, with more planned in 2023.</p>	

 [Read more about our TCFD disclosure in the Annual Report on pages 50 and 51](#)

Solar, water management and product design are just two areas where we are seeing opportunities develop and ways in which we can have a positive impact on the environment.

Key:  Low  Medium  High

Type	Opportunity	Impact
Markets	<p>Marshalls' brand is strongly based on ESG and sustainability credentials. With more interest from shareholders and investors, the ESG agenda has gained momentum. The opportunity is in strengthening our position in order to be an attractive investment proposition. There is a potential negative impact on Marshalls' business if we do not continue to engage with ESG ratings agencies and ultimately investors.</p> <p>Four years ago, we were engaging with the FTSE4Good assessment process and disclosing to the Carbon Disclosure Project (now CDP). Now we are engaging with more ratings agencies, in order to provide them with information that is material to the investor community. In 2022, we have remained a FTSE4Good constituent, improved our CDP score and retained our AAA score with MSCI.</p>	
Resilience	<p>Being resilient means that we consider risks and opportunities related to climate change – and what that means for our business. Materiality is key here, as we need to look at the challenges that will face our industry but also at ways we can harness our expertise to provide our customers with the solutions to combat the impact of climate change.</p> <p>We will also be looking in more detail at our risks and opportunities in terms of financial quantification and resilience testing. This is one of the areas our new Climate Disclosure Working Group will focus on as part of our 2023-25 plan.</p>	



Case study

Solar roofing systems

Roof integrated solar panels from our solar division, Viridian Solar, offer a clear opportunity for Marshalls.

Viridian Solar's Clearline Fusion roof integrated solar PV products bring high quality installations to both new build and retrofit applications on pitched roofs.

Not only does solar roofing reduce energy, it is also part of our adaptation strategy which looks to provide our customers with products to manage climate change.

Our recently published EPD for solar PV modules also provides customers with carbon footprint and additional environmental information.

Carbon emissions and energy



Science-based targets

Our approved science-based targets are aligned to 1.5°C.

We commit to reduce relative Scope 1 and 2 emissions by 59.4% by 2030, against a 2018 baseline. We also commit that 73% of suppliers by emissions have science-based targets by 2024.

Measuring carbon emissions

We measure carbon emissions by monitoring Scopes 1, 2 and 3.

For Marshalls, Scope 1 refers to our fuel usage, including diesel, petrol, gas oil, liquefied petroleum gas ("LPG"), bio LPG, kerosene and natural gas.

Scope 2 refers to our indirect emissions and for us, it's the electricity that we've purchased. We continue to report our Scope 2 emissions as location based (using Government emissions factors) and market based (using supplier emissions factors).

Due to our acquisition of Marley, we will be rebaselining and therefore recalculating our carbon emissions targets in 2023. Once calculated, we will engage with the Science Based Targets initiative for formal approval.

As Marley is not yet included in our current approved science-based targets, we have separated Marshalls and Marley in this year's reporting.

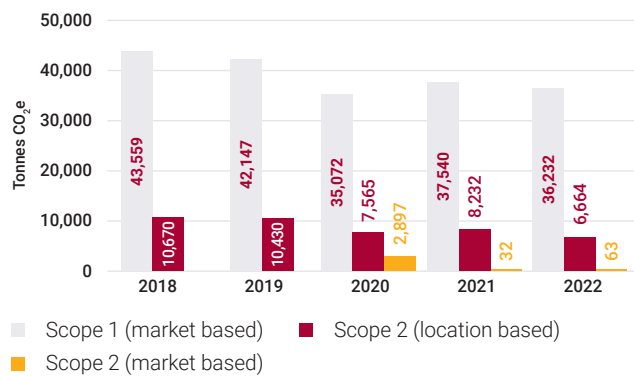
Both Marshalls and Marley's carbon and energy data has been externally verified, with limited assurance.



Absolute Scope 1 and 2 emissions (tonnes CO₂e)

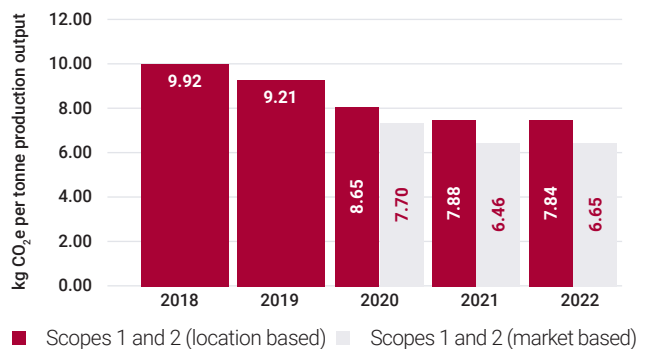
This chart illustrates UK and Belgium absolute CO₂e emissions in tonnes, including transport activities, for Marshalls (excluding Marley).

Marley's absolute Scope 1 and 2 emissions for 2022 were 22,610 tonnes CO₂e (market based).



Relative Scope 1 and 2 emissions (kg CO₂e per tonne of production)

This chart illustrates UK and Belgium CO₂e intensity emissions as a proportion of production output, including transport activities, for Marshalls (excluding Marley).



The relationship between the energy used and volume of product manufactured is not linear. Whilst our relative Scope 1 and 2 emissions have increased slightly in 2022, our absolute Scope 1 and 2 emissions have decreased. This is in line with our expectations and both absolute and relative emissions remain well within the approved 1.5°C science-based target pathway for Marshalls (excluding Marley).

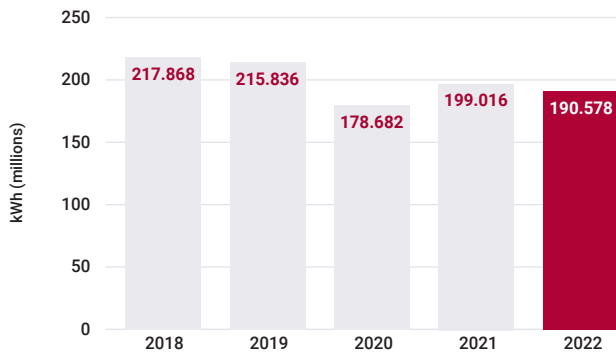
Energy reduction

100%
of our electricity comes from renewable sources

Operational controls and building management systems are also areas of focus, with improvements made at our Grove site. Lighting upgrades also continue, with our Brookfoot and West Lane sites updated. We have approved the installation of a 740kW solar array at our St Ives dual block plant and carried out feasibility studies on wind energy.

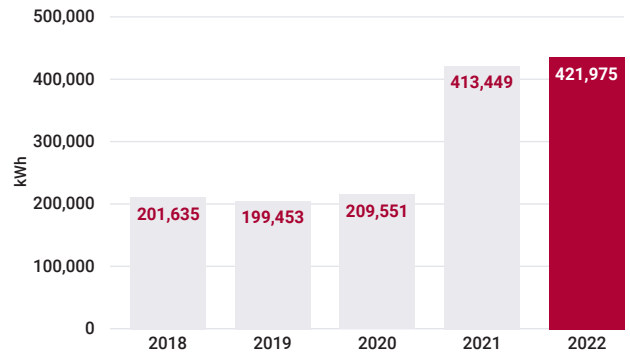
Energy performance in the UK

The chart below shows underlying UK energy use. Belgium's energy use for 2022 was 1.975 MkWh (2021: 1.936 MkWh). Marley's energy use for 2022 was 135.05 MkWh.



Self-generated energy from renewables

This chart shows self-generated energy from the solar arrays at our Sandy and Sittingbourne manufacturing sites.



Marley has joined us by having 100% of their electricity coming from renewable sources, as well as adding more electric car charging points at their Keele and Glasgow sites.



Environment

2022 Achievements

- Carbon reduction targets aligned to 1.5°C
- Recognised as European Climate Leader by Financial Times and Statista for second consecutive year
- Climate change risk analysis for Marley sites
- Reduction in waste generated

2023 Priorities

- Environmental Product Declarations for more products
- Installation of solar panels at dual block plant
- Euro 6 standard for whole fleet
- Biodiversity roadmap

Water

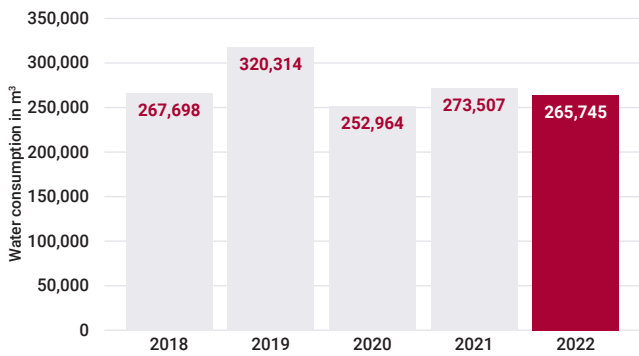
Marshalls is committed to water harvesting and recycling at numerous sites, and utilising quarry water where appropriate in our operations.

We have identified two sites within the Group which are located in areas of water stress - Sandy in Bedfordshire and Sittingbourne in Kent. Both sites harvest and recycle water for production.

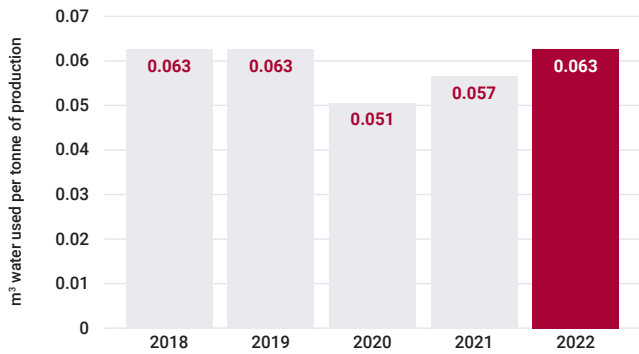
As part of our commitment to better reporting, we continue the installation of water automatic meter reading (AMR). This will improve data accuracy and frequency of monitoring of our mains water use leading to identification of potential savings.

3% decrease
in water consumption
(2021: 8% increase)

Water consumption



Water use per tonne of production



Waste and recycling

We classify waste removal into the following categories:

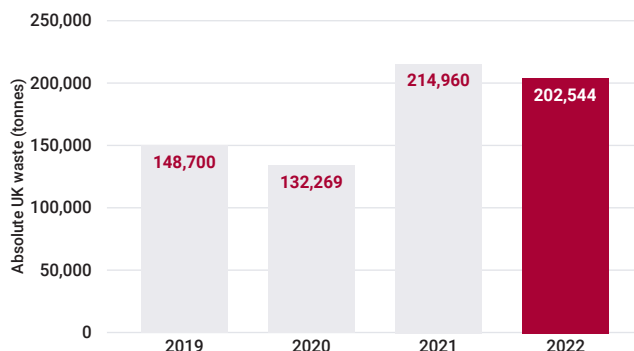
- waste recycled/energy recovery
- waste sent to landfill
- hazardous waste
- restoration waste

Restoration waste, such as waste concrete and stone rejects, fulfils our obligation within the planning consent to restore our quarries. In 2022, our absolute waste total decreased and we maintained 0.13% waste to landfill (2021: 0.4%). Our absolute waste figures exclude hazardous waste and our waste to landfill percentage excludes hazardous and restoration waste.

The generation of hazardous waste across the Group generally includes plant maintenance items such as used oils and filters. The increase from 2021 was predominantly due to a roof replacement project and an off site clean-up. Hazardous waste generated in 2022 was 606 tonnes (2021: 597 tonnes, 2020: 222 tonnes).

We are continuing to work with our internal and external stakeholders to improve our waste and recycling reporting figures.

Absolute UK waste



£10,000

donated to the Royal Society for the Protection of Birds (RSPB)

Fleet emissions

We're working to upgrade our fleet to Euro 6 standards which limit the exhaust of harmful pollutants and improve fuel economy. The bulk of our fleet has been upgraded, with the remainder targeted for 2023.

2,800

trees planted for the Queen's Jubilee

Packaging

Our products use a variety of different packaging including pallets, straps and film. We recycle pallets, most of our strapping is 100% recycled plastic and we use 30% recycled content in the majority of our plastic packaging.

We report packaging used which aligns with our duty to report under the Producer Responsibility Obligations (Packaging Waste) Regulations.

6%

reduction in waste (compared with 2021)

Tree planting

In 2022, we planted 2,800 trees as part of the Queen's Green Canopy, a tree planting initiative created to mark the Queen's Jubilee. The trees, including oak, alder and mountain ash, have been planted at our Brookfoot site in West Yorkshire.



Biodiversity activity

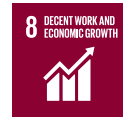
In 2022, we started to classify our sites with a view to setting a detailed biodiversity roadmap. We also progressed with a variety of different quarry restoration projects at our sites.

At our Birkhams Quarry in St Bees on the Cumbrian coast, we have continued our aftercare of restored areas of varied habitats.

Restoration has continued at Appleton Quarry near Huddersfield where preparations are in place for grass seeding and tree planting, as well as the creation of a wildflower meadow.

A hay meadow has been created as part of the restoration of Dale View Quarry in the Peak District National Park, and we have planted trees as part of the Sovereign Quarry restoration in West Yorkshire.

Anti-corruption



Being a responsible business means doing the right things, for the right reasons, in the right way.

That's The Marshalls Way.

2022 Achievements

- Set up of Compliance Steering Group
- Review of all policies
- Revised Code of Conduct for employees and suppliers

2023 Priorities

- Rollout of Code of Conduct training
- Rollout of Safecall whistleblowing service to overseas suppliers
- Policy integration with Marley

Training

Our core compliance training programme uses our Marshalls Learning Zone. Training modules comprehensively cover modern slavery, anti-bribery and corruption, and GDPR. In total, our colleagues engaged in 1,531 hours of compliance training (2021: 2,018) in 2022.

We have annual Corporate Criminal Offence (CCO) training in place for all colleagues involved in financial transactions in order to raise awareness of tax fraud.

Policies

In 2022, the Policies Working Group set out a project plan to review all policies in terms of consistency, tone of voice and communication. In 2023, this will extend to Marley and the integration of policies across the business.

Code of Conduct

Our Code of Conduct is aimed at our people, our suppliers and our partners and demonstrates the way we do business. The Code was revised in 2022, with a communication and training rollout planned for 2023.

Compliance

In 2022, there were no staff disciplined or dismissed due to non-compliance with our anti-corruption policy.

2022 saw the creation of the first Compliance Steering Group and a Policies Working Group. Led by Company Secretary and General Counsel, Shiv Sibal, the groups have been set up to better understand different teams' areas of compliance, clarify compliance and policy requirements, policy integration, and horizon scanning.

Product marketing

We are in the process of developing product Environmental Product Declarations (EPDs). We currently have three EPDs for our concrete bricks, solar PV modules and through-mix concrete block paving, with more planned for publication in 2023.

To the best of our knowledge, we have had no incidents of non-compliance concerning product and service information and labelling, and marketing communications in 2022. Colleagues in our Marketing team have received training on the Green Claims Code and this will be followed up in 2023 with update training.



Code of Conduct the way we do business

Accreditations

Accreditations and verifications

Accreditations are an important part of what we do, so we have the external validation that enables us to showcase our credentials.

In 2022, Marshalls was named one of Europe's **Climate Leaders** by the Financial Times and Statista for the second consecutive year.

We are a **FTSE4Good** constituent and continue to voluntarily disclose data to **CDP (Carbon Disclosure Project)**. This disclosure includes our wider carbon management performance over time and also provides an insight for stakeholders regarding our energy, carbon and climate change impact management programme. Our 2022 submission for 2021 data scored a B.

This year also saw our second submission to the **Workforce Disclosure Initiative (WDI)** and we were shortlisted in the Most Improved category at the WDI Awards 2022.

Marshalls has retained its **Constructionline Gold** membership in 2022 and achieved certification for **Achilles BuildingConfidence**. We are **Avetta** and **Builders Profile** accredited, members of **CLOCS (Construction Logistics and Community Safety)** and hold **FORS (Fleet Operator Recognition Scheme)** silver accreditation.

We currently have three **Environmental Product Declarations (EPDs)** for our concrete bricks, solar PV modules and through-mix concrete block paving. More EPDs are due for publication in 2023.



Marshalls is a Gold member of the **Supply Chain Sustainability School**.

In 2022, we were again awarded Charter Member status as part of the **Precast Sector Sustainability Charter** from MPA Precast, for passing the requirements of the annual sustainability audit.

We have maintained certification and received a Very Good rating from the Building Research Establishment (BRE) **Responsible Sourcing Standard BES 6001**. Our Marley clay and concrete tile products have achieved an Excellent rating. We also maintained our accreditation to **BES 6002 for Ethical Labour Sourcing** for the sixth consecutive year.

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

All data in this report is correct at time of publication. Unless otherwise stated, the information in this report covers Marshalls only as the Marley acquisition took place partway through 2022. Next year's report will fully include Marley.



How we engage with others

Who we work with	Their position on sustainability	How we engage
Logistics UK	Logistics UK launched its Route to Net Zero campaign and member commitment in 2021. The aim is to highlight good practice already happening across the sector and engage with policymakers on the support that can help the industry to decarbonise and quickly as possible.	Membership of Logistics UK.
Mineral Products Association (MPA) and MPA Precast	MPA Precast (formerly British Precast) manufacturing members are required to sign up to the Charter Membership Scheme. The MPA Charter aims to encourage member companies of MPA Precast to go beyond legislation and take voluntary actions to make their products and operations more sustainable. Further to the integration of the Sustainability Charter with the MPA Charter, it is now a mandatory MPA Precast membership requirement to report on Sustainability Charter performance and be audited annually under the scheme.	Our Chief Operating Officer, Simon Bourne, chairs MPA Precast Committee and co-creates the agenda. Active membership of appropriate committees, including attendance at Public Policy Working Group, Social Outcome Task Group, Low Carbon Concrete Task Group and Carbon Measurement and EPD Task Group.
Construction Products Association (CPA)	Leading organisation representing and championing construction product manufacturers and suppliers with objectives including advising government and manufacturers on solutions for lowering emissions and increasing resource efficiency.	Representation on Sustainability Policy Group and chairing of the CPA Forecast Panel.
Construction Industry Research and Information Association (CIRIA) and susdrain	Construction industry research and information association which facilitates collaborative activities that help improve the industry. Includes susdrain, a community that provides a range of resources for those involved in delivering sustainable drainage systems (SuDS).	Attendance at CIRIA council meetings and supporter of susdrain, CIRIA's SuDS group.
Social Responsibility Alliance	An initiative focused on providing companies with the open-source tools, resources, and support they need to build socially responsible supply chains through the collection of responsible sourcing data	Our ESG & Human Rights Director is Co-Chair.
UN Global Compact Network UK Working Groups	The network promotes practical sustainability leadership, shares knowledge across sectors, and actively shapes the responsible business environment.	Marshalls sits on the Modern Slavery, Diversity & Inclusion, Child Labour and Climate Disclosures Working Groups to share information and learning.
Supply Chain Sustainability School	The school provides a free to use online training portal for the construction industry with the objective of raising the awareness and understanding of sustainability issues.	Gold membership status, engagement with groups such as the Climate Action group, and sharing best practice in CPD sessions.

GRI content index

Statement of use: Marshalls has reported the information cited in this GRI content index for the period January to December 2022 with reference to the GRI Standards.

GRI 1 used: GRI 1: Foundation 2021


GRI 2 General disclosures 2021		
Disclosure	Location	Omissions
2-1 Organisational details	At a glance: AR pages 4-5 Where we operate: SR page 4	
2-2 Entities included in the organisation's sustainability reporting	ESG data sheet: SR pages 2-3	
2-3 Reporting period, frequency and contact point	ESG data sheet: SR page 2 Contact details: SR page 34	
2-4 Restatements of information	ESG data sheet – restatements of information relate to water consumption data for 2021: SR page 2	
2-5 External assurance	BSI Verification Report 2022: https://www.marshalls.co.uk/sustainability/document-library Verifications: SR page 25	
2-6 Activities, value chain and other business relationships	At a glance: AR pages 4-5 Where we operate: SR page 4	
2-7 Employees	People data: AR page 54 ESG data sheet: SR pages 2-3	
2-8 Workers who are not employees	See omissions	Information not available. Marshalls uses contractors, but does not report total number. We track contractor health and safety data (AR page 56).
2-9 Governance structure and composition	Corporate Governance Statement: AR pages 78-82 Board composition: AR pages 76-77 Employee Voice Group: AR pages 54-55	

Sustainability reporting standards continued







GRI 2 General disclosures 2021 continued		
Disclosure	Location	Omissions
2-10 Nomination and selection of the highest governance body	Corporate Governance Statement: AR pages 78-82 Board composition: AR pages 76-77	
2-11 Chair of the highest governance body	Board composition: AR pages 76-77	
2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance Statement: AR pages 78-82 Board composition: AR pages 76-77	
2-13 Delegation of responsibility for managing impacts	Corporate Governance Statement: AR pages 78-82	
2-14 Role of the highest governance body in sustainability reporting	ESG oversight: AR page 81	
2-15 Conflicts of interest	Conflicts and concerns: AR page 86 Board composition: AR pages 76-77	
2-16 Communication of critical concerns	Whistleblowing and bribery: AR page 99	
2-17 Collective knowledge of the highest governance body	ESG oversight: AR page 81	
2-18 Evaluation of the performance of the highest governance body	Board evaluation: AR page 90	
2-19 Remuneration policies	Remuneration Report: AR pages 100-130	
2-20 Process to determine remuneration	Remuneration Report: AR pages 100-130	
2-21 Annual total compensation ratio	Pay comparisons: AR page 126	
2-22 Statement on sustainable development strategy	What ESG means to Marshalls: AR pages 42-59 Risk management: AR pages 66-75 Sustainability: https://www.marshalls.co.uk/sustainability	
2-23 Policy commitments	Policies: https://www.marshalls.co.uk/about-us/policies Human rights: SR page 10 Business and human rights: AR pages 56-57	
2-24 Embedding policy commitments	Audit, risk and internal control: AR page 91	
2-25 Processes to remediate negative impacts	Whistleblowing and bribery: AR page 99	
2-26 Mechanisms for seeking advice and raising concerns	Code of Conduct: https://www.marshalls.co.uk/sustainability/document-library Whistleblowing and bribery: AR page 99	
2-27 Compliance with laws and regulations	See omissions	Information not available. Marshalls currently does not report this information.
2-28 Membership associations	How we engage with others: SR page 26	
2-29 Approach to stakeholder engagement	How we engage with others: SR page 26 Stakeholder engagement: AR pages 28-33	
2-30 Collective bargaining agreements	Employee voice: SR page 12	

GRI 3 Material topics 2021

Disclosure	Location	Omissions
3-1 Process to determine material topics	Materiality matrix: SR page 6	
3-2 List of material topics	Materiality matrix: SR page 6	

Standard	Disclosure	Location	Omissions
GRI 201: Economic performance 2016	3-3 Management of material topics	Risk management: AR pages 66-75	
	201-1 Direct economic value generated and distributed	Consolidated income statement, balance sheet and cash flow statement: AR pages 143-146	
	201-2 Financial implications and other risks and opportunities due to climate change	Risk management: AR page 71 Risks and opportunities: SR pages 14-17	
	201-3 Defined benefit plan obligations and other retirement plans	Defined benefit schemes: AR pages 155, 163-164, 176	
	201-4 Financial assistance received from government	See omissions	Marshalls received no financial assistance from government.
GRI 205: Anti-corruption 2016	3-3 Management of material topics	Anti-bribery Code: https://www.marshalls.co.uk/about-us/policies Code of Conduct: https://www.marshalls.co.uk/sustainability/document-library Anti-corruption: SR page 24	
	205-1 Operations assessed for risks related to corruption	See omissions	Information not available. Marshalls currently does not report this information.
	205-2 Communication and training about anti-corruption policies and procedures	Anti-corruption: SR page 24	
	205-3 Confirmed incidents of corruption and actions taken	Anti-corruption: SR page 24	
GRI 206: Anti-competitive Behaviour 2016	3-3 Management of material topics	Code of Conduct: https://www.marshalls.co.uk/sustainability/document-library	
	 206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Anti-corruption: SR page 24	
GRI 207: Tax 2019	3-3 Management of material topics	Tax Policy: https://www.marshalls.co.uk/about-us/policies	
	207-1 Approach to tax	Tax Policy: https://www.marshalls.co.uk/about-us/policies Fair Tax Mark: AR page 9	
	207-2 Tax governance, control, and risk	Taxation: AR page 62 Income tax expense: AR page 165	
	207-3 Stakeholder engagement and management of concerns related to tax	Tax: AR page 120 Risk: AR page 140	
	207-4 Country-by-country reporting	Income tax expense: AR page 165	

Sustainability reporting standards continued

GRI 3 Material topics 2021 continued				
Standard	Disclosure	Location	Omissions	
GRI 302: Energy 2016	3-3	Management of material topics	Energy & Climate Change Policy: https://www.marshalls.co.uk/about-us/policies	
	 302-1	Energy consumption within the organisation	SECR: AR page 53 Energy reduction: SR page 21	
	 302-2	Energy consumption outside of the organisation	SECR: AR page 53 Energy reduction: SR page 21	
	302-3	Energy intensity	SECR: AR page 53 Energy reduction: SR page 21	
	302-4	Reduction of energy consumption	SECR: AR page 53 Energy reduction: SR page 21	
	302-5	Reductions in energy requirements of products and services	Carbon sequestration: AR page 49	
GRI 303: Water and effluents 2018	3-3	Management of material topics	Environmental Policy: https://www.marshalls.co.uk/about-us/policies	
	303-1	Interactions with water as a shared resource	Water stress: SR page 22	
	303-2	Management of water discharge-related impacts	See omissions	Information currently unavailable
	303-3	Water withdrawal	Water: SR page 22	
	303-4	Water discharge	See omissions	Data currently unavailable
	 303-5	Water consumption	Water: SR page 22	
GRI 304: Biodiversity 2016	3-3	Management of material topics	Environmental Policy: https://www.marshalls.co.uk/about-us/policies	
	 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	See omissions	Information currently not available
	 304-2	Significant impacts of activities, products and services on biodiversity	Biodiversity: SR page 23	
	304-3	Habitats protected or restored	Quarry restoration: SR page 23	
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	See omissions	Information currently not reported
GRI 305: Emissions 2016	3-3	Management of material topics	Energy & Climate Change Policy: https://www.marshalls.co.uk/about-us/policies TCFD disclosure: AR pages 50-51 Governance and risk: SR page 14	
	 305-1/305-2	Direct (Scope 1) and indirect (Scope 2) GHG emissions	TCFD disclosure: AR pages 50-51 Carbon reporting: AR pages 52-53	
	305-3	Other indirect (Scope 3) GHG emissions	Supplier emissions: AR page 49, 53 Science-based targets: SR page 20	
	305-4	GHG emissions intensity	Carbon reporting: AR page 52	
	305-5	Reduction of GHG emissions	Carbon reduction: AR pages 48-49 TCFD disclosure: AR pages 50-51 Carbon reporting: AR pages 52-53	
	305-6	Emissions of ozone-depleting substances	See omissions	Information currently not reported
	305-7	Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions	Air emissions: SR page 23	

GRI 3 Material topics 2021 continued

Standard	Disclosure	Location	Omissions
GRI 403: Occupational health and safety 2018	3-3	Management of material topics	Health & Safety Policy: https://www.marshalls.co.uk/about-us/policies Health and safety: AR page 58 Health and safety: SR pages 8-9
	403-1	Occupational health and safety management system	ESG data sheet: SR pages 2-3 Sites with ISO 45001: SR pages 8-9
	403-2	Hazard identification, risk assessment and incident investigation	Health & Safety Policy: https://www.marshalls.co.uk/about-us/policies
	403-3	Occupational health services	Health and safety: AR pages 58-59 Health and safety: SR pages 8-9
	403-4	Worker participation, consultation, and communication on occupational health and safety	Health and safety: AR page 58 Health and safety: SR page 8
	403-5	Worker training on occupational health and safety	Health and safety: AR page 58 Training hours: SR page 8
	403-6	Promotion of worker health	Health and safety: AR pages 58-59 Health and wellbeing: SR pages 8-9
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and safety: AR page 58 Award wins: AR page 59
	403-8	Workers covered by an occupational health and safety management system	Sites with ISO 45001: SR page 8
	403-9	Work related injuries	Health and safety: AR page 58
403-10	Work-related ill health	Health and safety: AR page 58	
GRI 405: Diversity and equal opportunity 2016	3-3	Management of material topics	Diversity & Inclusion Policy: https://www.marshalls.co.uk/about-us/policies DERI: AR page 55 Diversity and inclusion: SR page 13
	405-1	Diversity of governance bodies and employees	DERI: AR page 55 Diversity and inclusion: SR page 13
	405-2	Ratio of basic salary and remuneration of women to men	Gender pay gap report: https://www.marshalls.co.uk/about-us/corporate-governance
GRI 408: Child labour 2016	3-3	Management of material topics	Children's Rights Policy: https://www.marshalls.co.uk/about-us/policies Areas of activity: MSS pages 2-3 Due diligence processes: MSS page 12 Assessing risk: MSS page 14
	408-1	Operations and suppliers at significant risk for incidents of child labour	Areas of activity: MSS pages 2-3 Due diligence processes: MSS page 12 Assessing risk: MSS page 14

Sustainability reporting standards continued

GRI 3 Material topics 2021 continued			
Standard	Disclosure	Location	Omissions
GRI 409: Forced or compulsory labour 2016	3-3 Management of material topics	Human Rights Policy: https://www.marshalls.co.uk/about-us/policies Areas of activity: MSS pages 2-3 Due diligence processes: MSS page 12 Assessing risk: MSS page 14	
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Areas of activity: MSS pages 2-3 Due diligence processes: MSS page 12 Assessing risk: MSS page 14	
GRI 412: Human rights assessment 2016	3-3 Management of material topics	Human Rights Policy: https://www.marshalls.co.uk/about-us/policies Business and human rights: AR pages 56-57 Areas of activity: MSS pages 2-3 Due diligence processes: MSS page 12 Assessing risk: MSS page 14 Human rights: SR pages 10-11	
	412-1 Operations that have been subject to human rights reviews or impact assessments	Business and human rights: AR pages 56-57 Due diligence processes: MSS page 12 Supply chain: MSS page 13 Assessing risk: MSS page 14	
	412-2 Employee training on human rights policies or procedures	Business and human rights: AR page 57 Training: MSS page 16	
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Business and human rights: AR pages 56-57 Due diligence processes: MSS page 12 Supply chain: MSS page 13	

GRI 3 Material topics 2021 continued			
Standard	Disclosure	Location	Omissions
GRI 415: Public policy 2016	3-3	Management of material topics	Stakeholder engagement: AR pages 28-33 How we engage with others: SR page 26
	415-1	Political contributions	Political donations: AR page 131
GRI 417: Marketing and labelling 2016	3-3	Management of material topics	Compliance: SR page 24
	 417-1	Requirements for product and service information and labelling	Environmental Product Declarations: AR page 48 Compliance: SR page 24
	417-2	Incidents of non-compliance concerning product and service information and labelling	Compliance: SR page 24
	417-3	Incidents of non-compliance concerning marketing communications	Compliance: SR page 24

Key:

AR = Annual Report 2022

SR = Sustainability Report 2022

MSS = Modern Slavery Statement 2022

COC = Code of Conduct

Stakeholder Engagement

Marshalls would like to thank all of the internal and external stakeholders who had input into this report.

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



Louise Furness
Chief People and ESG Officer
louise.furness@marshalls.co.uk



Elaine Mitchel-Hill
ESG & Human Rights Director
elaine.mitchel-hill@marshalls.co.uk



Jo Holmes
Head of ESG Reporting
jo.holmes@marshalls.co.uk



Chris Harrop OBE
ESG Strategy Director
chris.harropobe@marshalls.co.uk



For more information on Marshalls,
visit marshalls.co.uk/sustainability

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

Tel: 01422 312000

www.marshalls.co.uk



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