

Modern Slavery Risk Analysis 2022

Marshall's Plc
End Modern Slavery



Our transparency mirrors our evolution



Elaine Mitchel-Hill
ESG and Human Rights Director
June 2023

Without detailed analysis of the countries from which we source it would be impossible for us to take a strategic approach, especially as we approach modern slavery through a human rights lens rather than being driven solely by compliance.

We've been transparently publishing our Risk Analysis for six years now, and I can see looking back that it mirrors our evolution. This year's report is the most detailed that we've been able to provide. The expansion of our business and human rights team, almost twelve months ago, has accelerated our ability to delve deeper into the tiers and allowed us to focus deeply on specific challenging products, commodities, supply chains, geographies and issues. This critical investigation and analysis has enabled us to elevate strategic discussion internally across the Marshalls Group, to share insights with governments and key agencies, and to be a better and stronger partner with which to engage and collaborate. Importantly, it has also helped to galvanise colleagues in the fight to eliminate modern slavery.

Legislation is toughening for many countries, while for others it is not, which adds to the complexities of driving transparency along supply chains. Just transition is upon us. Our work with partners to understand the impact of sustainability drivers on our operating context in 2040 has made plain the challenges ahead.

We will continue to undertake this annual analysis and to share it transparently. By doing so we can stay alert to changes in sourcing, better understand our risks, and continue to build an ever stronger approach to eliminating modern slavery.



Modern slavery risk mapping

Every year, Marshalls carries out a modern slavery risk mapping exercise for countries where it has business operations or from where it sources goods and materials, when the annual spend is greater than £10,000.

This report for 2022 marks the sixth consecutive year that we have published our analysis, reflecting our ongoing commitment to transparency. We do this not only to be open with our stakeholders about the provenance of our products, but also to provide a useful reference guide for anyone operating in or buying from these countries.

The data published in this Risk Analysis Report complements other internal due diligence processes. This helps us to: build a more holistic understanding of modern slavery and human trafficking risk; set clear risk-based priorities on where best to direct our resources; develop engagement programmes with key suppliers in high-risk environments and make plans with our anti-slavery partners regarding remediation and prevention strategies.

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



All of this activity is documented in detail in our Modern Slavery Statement for 2022. Download it at:

marshalls.co.uk/sustainability/modern-slavery

Photo (above)
Depicting an IOM representative talking to a supplier employee in Vietnam.
(credit: Elaine Mitchel-Hill, Business & Human Rights Director, 2019)



Emma Crates
Business and Human Rights Manager,
Marshalls Plc.

Our sixth annual Modern Slavery Risk Analysis report features more detail and more countries than ever before, reflecting developments within the wider Marshalls Group.

Last April, Marshalls bought pitched roof systems manufacturer Marley Group plc which owns photovoltaic specialist Viridian Solar. This report brings together analysis based on procurement data from all three companies. The number of sourcing countries analysed has increased from 21 to 26.

For the first time, we are also publishing analysis of second tier supplier locations. In coming years, we expect to increase reporting on lower tier suppliers as part of our ongoing commitment to mapping product journeys back to raw materials.

In another first, we have also included the percentage of spend on first tier suppliers by country.

The Marshalls Modern Slavery Risk Analysis report should be read alongside our annual *Modern Slavery Statement* and *End Modern Slavery* report which are focused on bringing wider systemic change and eradicating modern slavery for good.

Data sources for country profiles

We analyse, produce and share transparently modern slavery risk profiles for all sourcing countries as part of our risk mapping and due diligence processes. These profiles map a number of modern slavery drivers: rule of law and resilience to corruption; labour rights; government efforts to combat human trafficking; gender equality; protection of children from exploitation; education, health and standard of living; and access to banking.

Global data sources can be found below.



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 Findex Database
globalfindex.worldbank.org/

The World Bank – Governance Indicators
info.worldbank.org/governance/wgi

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 <http://www.childrensrighsatlas.org/country-data/workplace/>

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/

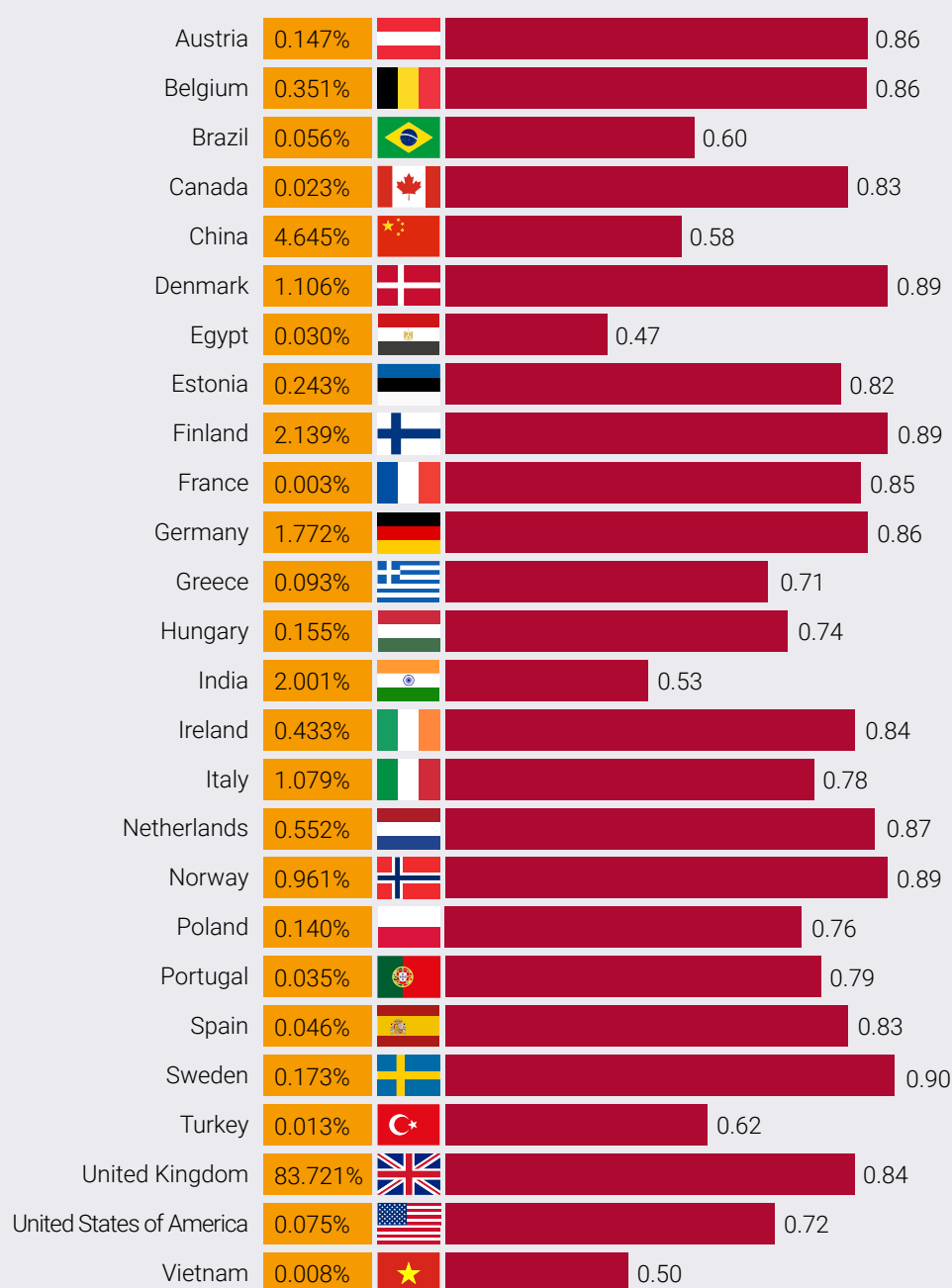
International Trade Union Confederation – Global Rights Index
survey.ituc-csi.org?lang=en



Trafficking In Persons Report
state.gov/trafficking

This diagram provides a snapshot of risk profiles for first tier suppliers in all sourcing countries where the spend across Marshalls is £10,000 or higher. This year's list takes into account the acquisition of Marley and Viridian Solar in April 2022 and represents spending across the entire group, including our Belgian operations.

The bars represent modern slavery risk, as calculated by Marshalls' proprietary Modern Slavery Risk Index (MSRI). The orange boxes indicate percentage of spend on first tier suppliers.

Marshalls Slavery Risk Index showing risk levels and group spend per sourcing country for tier one suppliers



 % of group spend by country. Please note that this chart covers first tier suppliers only
 Marshalls Slavery Risk Index. Scores between 0 and 1. Lowest score = highest risk

This page shows the highest risk countries in our supply chain, as calculated using our modern slavery drivers mapping process. The spider diagram shows a comparison of the risk profiles for each country.

Five highest risk sourcing countries



1. Egypt Risk score: 0.47



2. Algeria* Risk score: 0.49



3. Vietnam Risk score: 0.5



4. India Risk score: 0.53



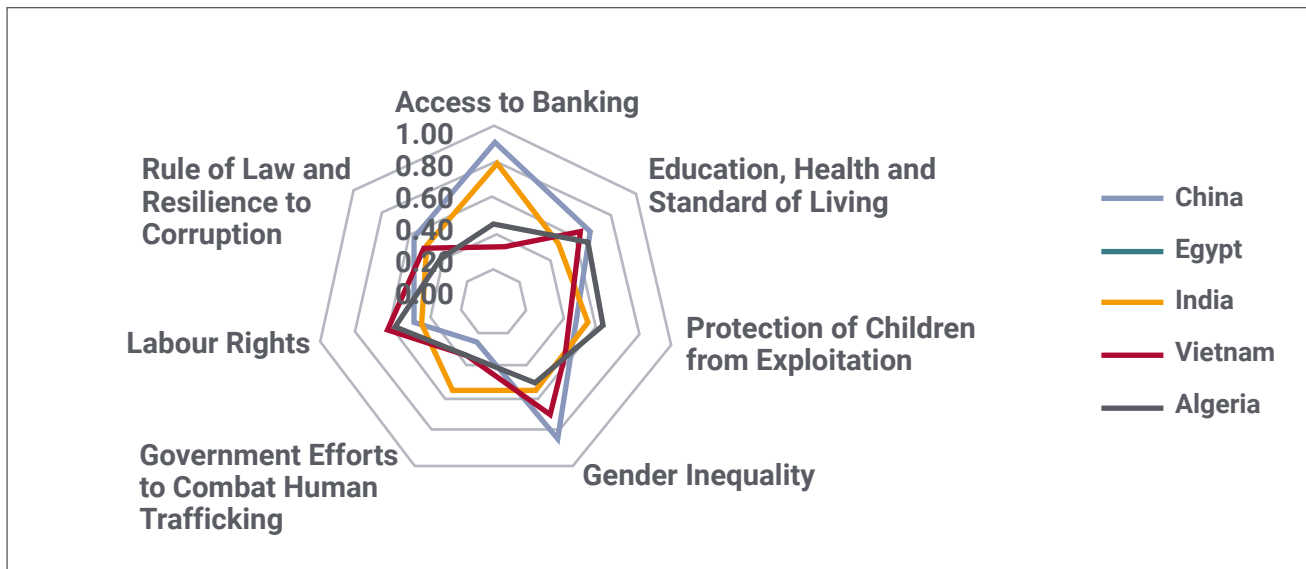
5. China Risk score: 0.58

*Algeria is in the second tier of our supply chain, the other four countries are in the first tier.

These are the most salient risks that Marshalls has identified across its supply chains.

- › Child Labour
- › Bonded Labour
- › Forced Labour
- › Prison Labour

Drivers of Modern Slavery Comparison - Top 5 Countries with a High Risk Rating (<0.7)



An evolving approach to risk

Our approach to risk in our supply chain continues to evolve. In 2022 we expanded our business and human rights team, increasing in-house capacity for detailed analysis of suppliers in high-risk locations and sectors.

We have introduced a two-stage mapping process whereby supplier locations are mapped against regional, national and international risk data to evaluate human rights, modern slavery and environmental risks.

Our findings inform future strategy, which could include direct supplier engagement, awareness raising and training, and further assessments and social audits conducted by our in-house team or third parties.

In 2022, for example, we commissioned a specialist consultancy to carry out an in-depth mapping exercise of our natural stone supply chain in South India. We also continued our partnership with the International Organization for Migration (IOM) to investigate the human rights risks in Vietnamese natural stone supply chains, following the Covid-19 pandemic.

This year, the business and human rights team is trialling a new IT platform for systematically collecting and analysing data on supplier assessments and social audits. We are also rolling out worker hotlines into our higher risk supply chains and sectors. A diagram illustrating our full due diligence process can be found on page 14.

Committed to transparency

We continue to develop and evaluate robust systems and processes that include and address our own business operations in the UK and Europe, and our global supplier base in a number of countries across the globe.

These systems have been further enhanced in the wake of the COVID-19 pandemic. In recent months we have begun to pilot the Everyone's Business app for real-time reporting during supplier visits.

We are wholly supportive of transparency regarding the reporting of instances of modern slavery. We are also acutely aware that a measured approach is sometimes

required; especially where it would be detrimental to the victims and the most vulnerable to make this public, and where we need to work internationally with governments, the UK government and UN agencies to raise international standards and work towards the often systemic change which is required.

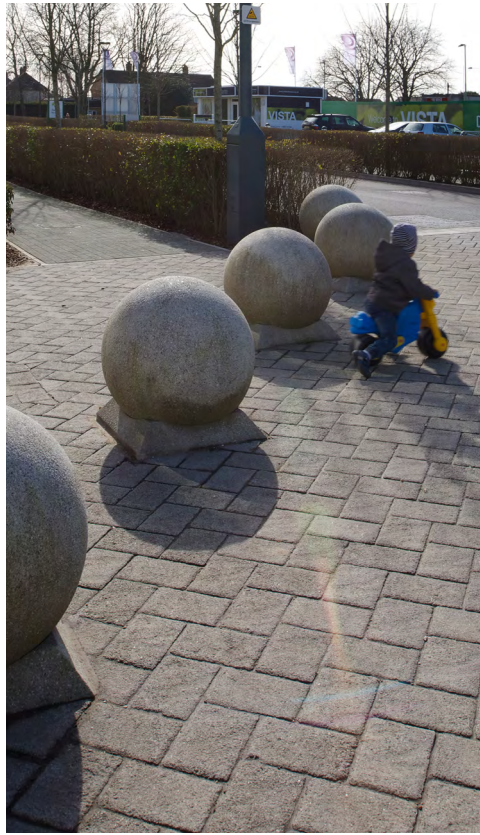
However we will always disclose instances to relevant authorities and share with our trusted partners, such as the ILO, UN agencies and the Independent Anti-Slavery Commissioner's office.

Over the past year Marshalls has:

- › Developed enhanced two-phase risk analysis for high-risk suppliers, mapping exact geolocations against regional, national and international human rights trends.
- › Piloted the Everyone's Business app for real time monitoring of human rights, environmental and safety risks during supplier visits.
- › Established an IT platform for data collection of audits and virtual supplier assessments, to be further developed in 2023.
- › Worked with a UN agency to understand how the Covid-19 pandemic has affected human rights risks in its Vietnamese supply chain.
- › Engaged a specialist consultancy to carry out a detailed mapping and human rights risk assessment of three tiers of its South India supply chain, from raw materials to finished product.

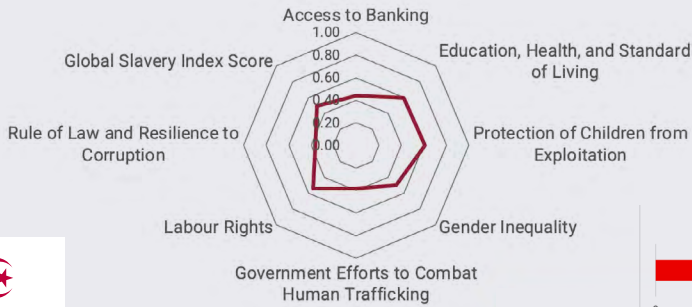
Marshalls will continue to:

- › Map out, monitor and engage with higher risk tier one suppliers.
- › Expand mapping and engagement with tier two suppliers in high-risk sectors and regions.
- › Report all instances of modern slavery to the appropriate authority: i.e. GLAA (the Gangmasters and Labour Abuse Authority), law enforcement.
- › Educate and empower its people to spot the signs of modern slavery and safely report in a way that feels right to them: via 999, GLAA, Crimestoppers, the Modern Slavery Helpline and Safecall, the company's in-house whistleblowing hotline.
- › Share instances and insights with relevant authorities and trusted partners, including industry bodies, investors, UN Global Compact members.

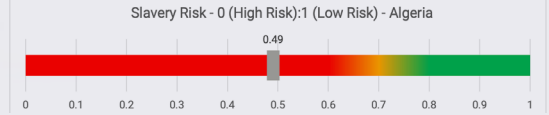


ALGERIA

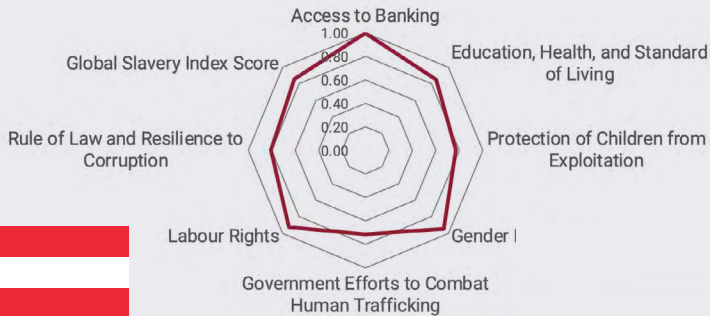
Second tier supplier



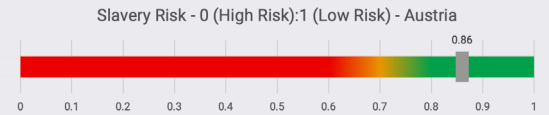
Second tier supplier



AUSTRIA



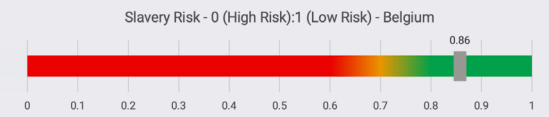
0.147% of Marshalls Group Spend



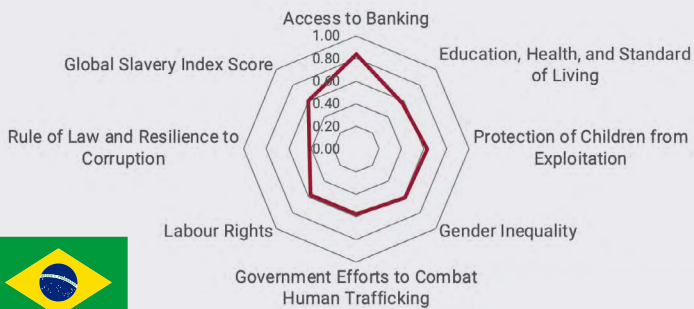
BELGIUM



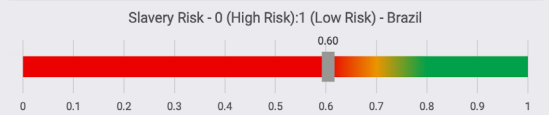
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BRAZIL



0.056% of Marshalls Group Spend



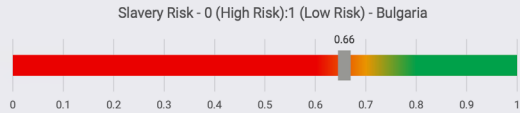
Risk profile by country

BULGARIA

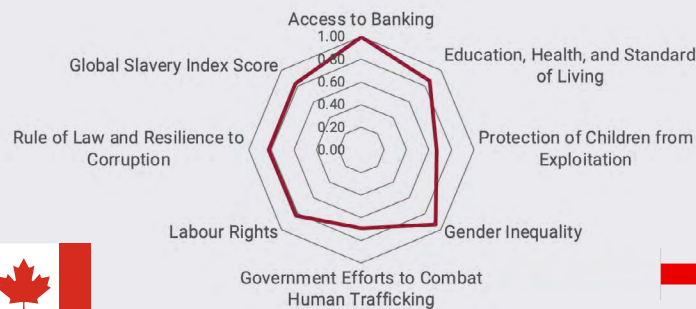
Second tier supplier



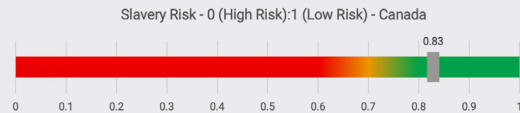
Second tier supplier



CANADA



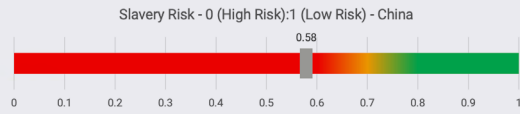
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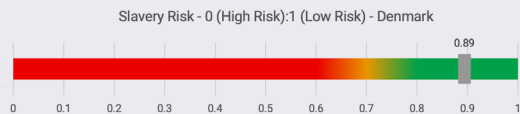
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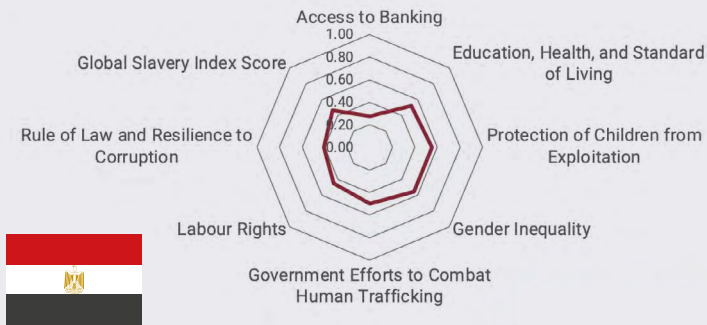
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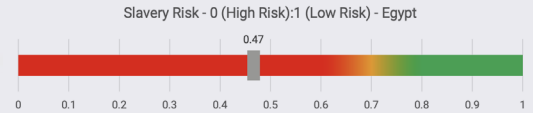
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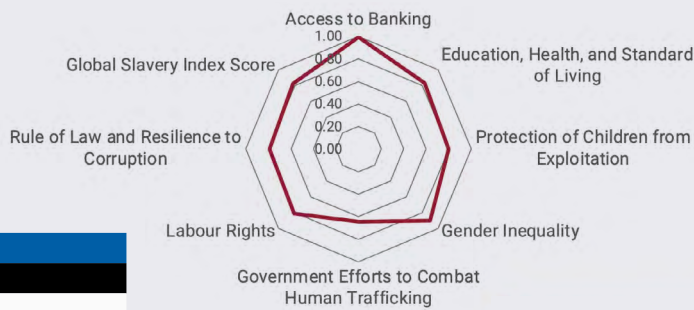
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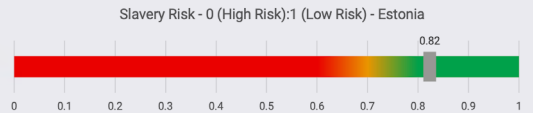
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ESTONIA



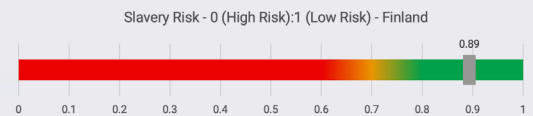
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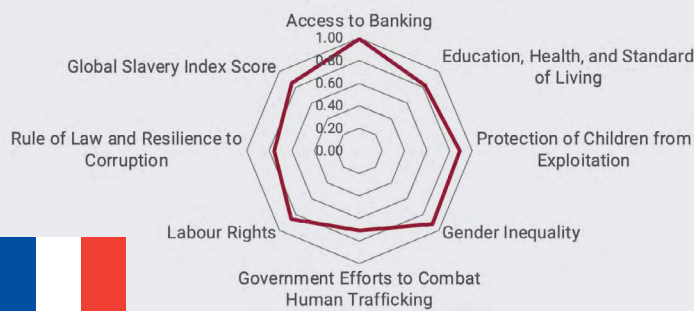
FINLAND



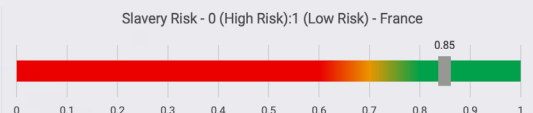
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FRANCE



0.003%
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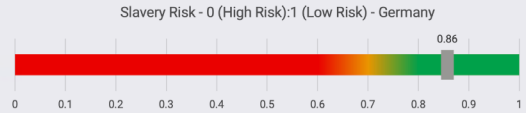


Risk profile by country

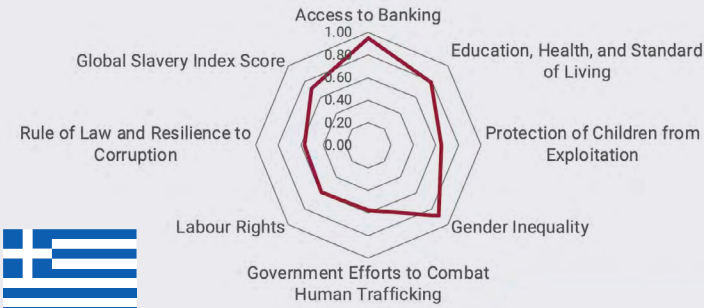
GERMANY



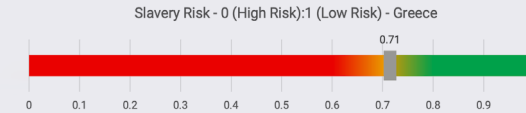
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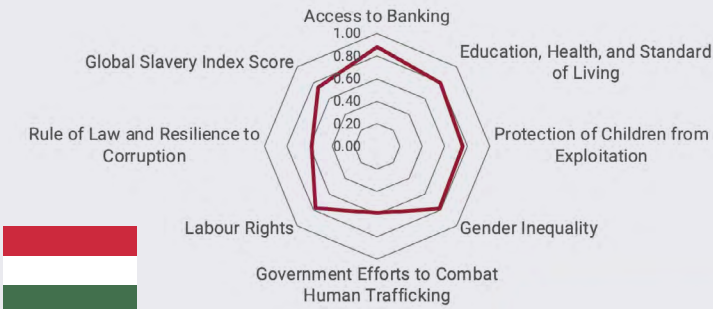
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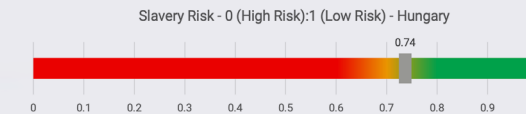
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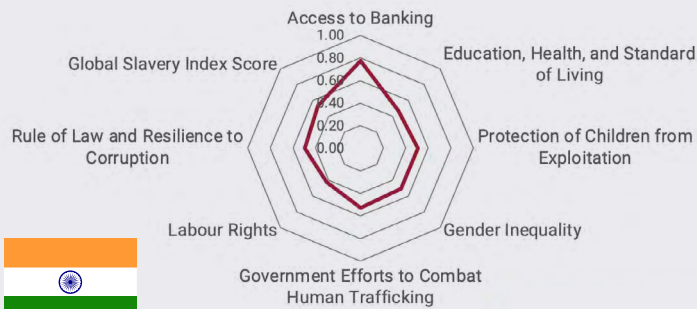
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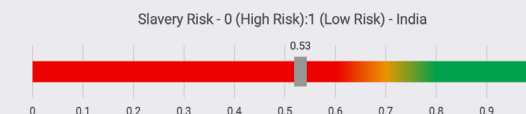
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INDIA



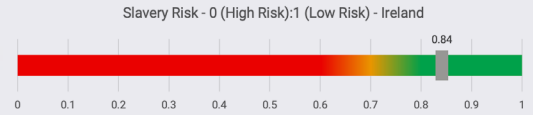
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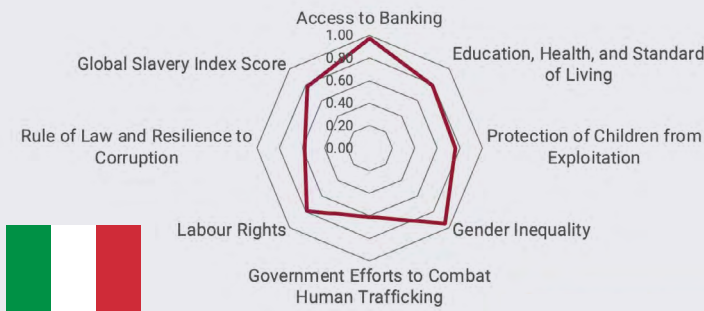
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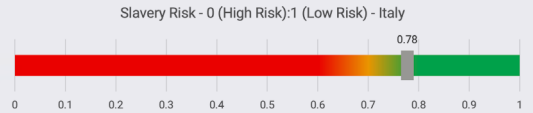
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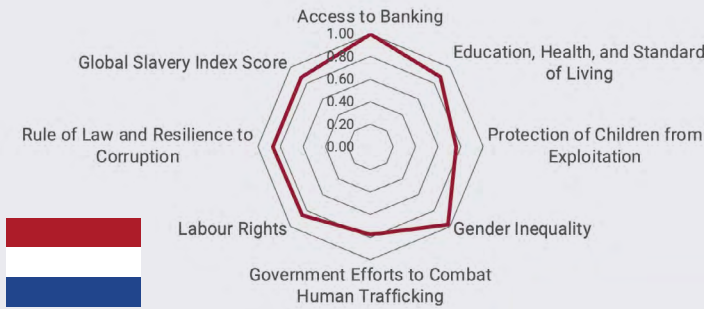
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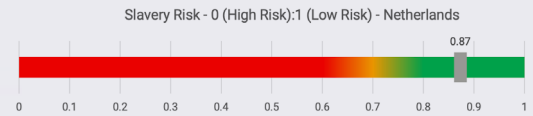
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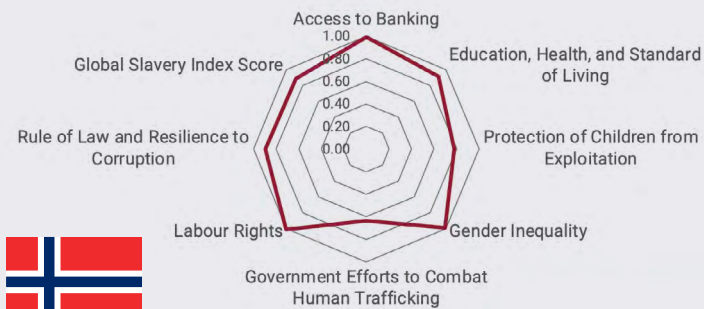
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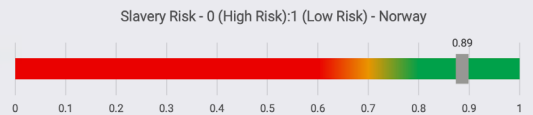
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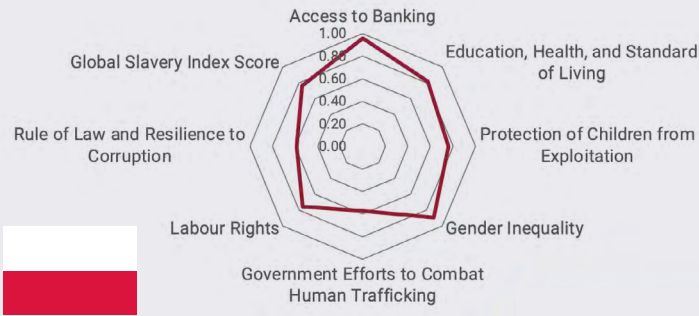


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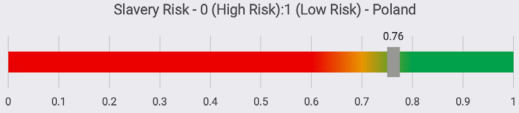


Risk profile by country

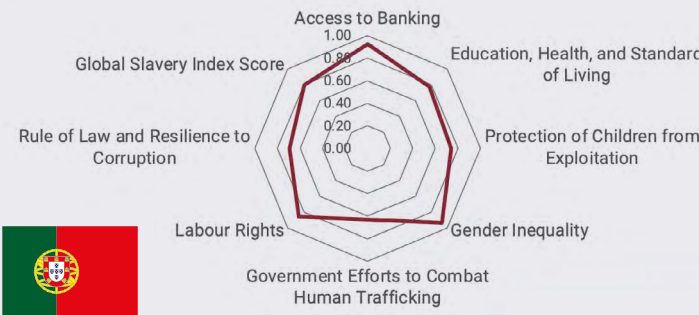
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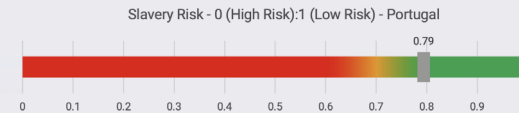
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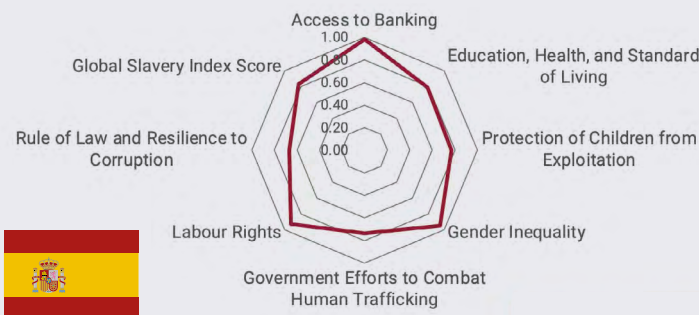
PORTUGAL



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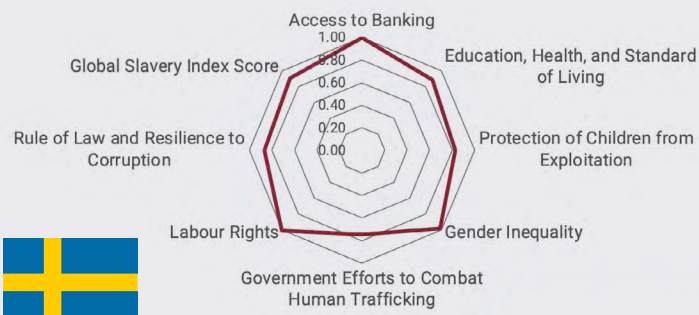
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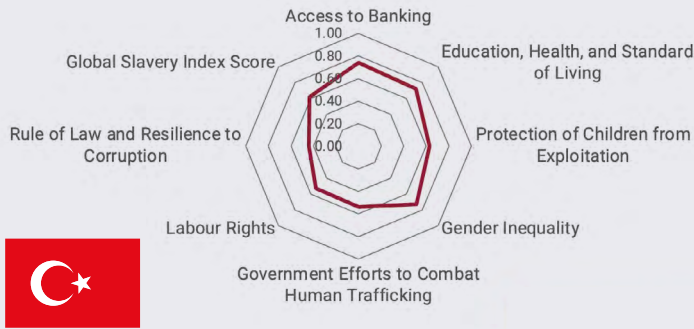
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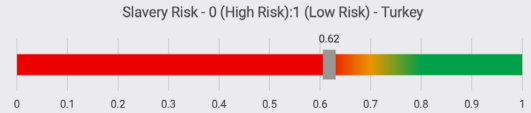
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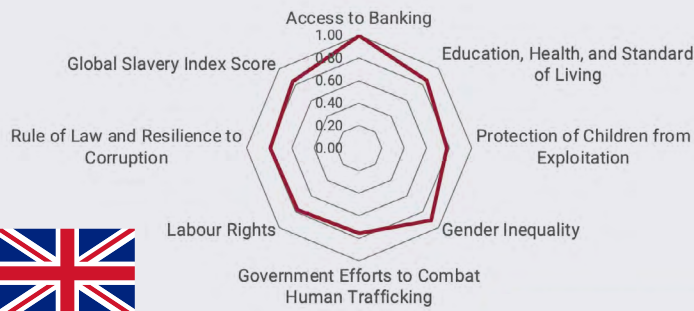
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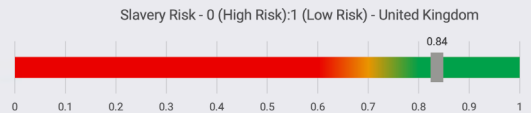
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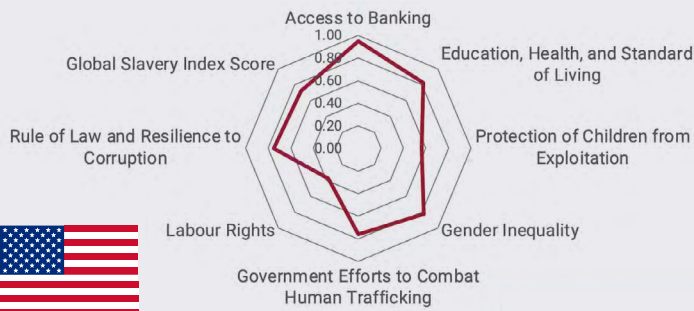
UNITED KINGDOM



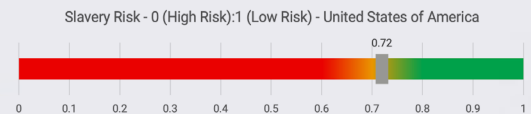
83.721%
of Marshalls Group Spend



USA



0.075%
of Marshalls Group Spend



VIETNAM



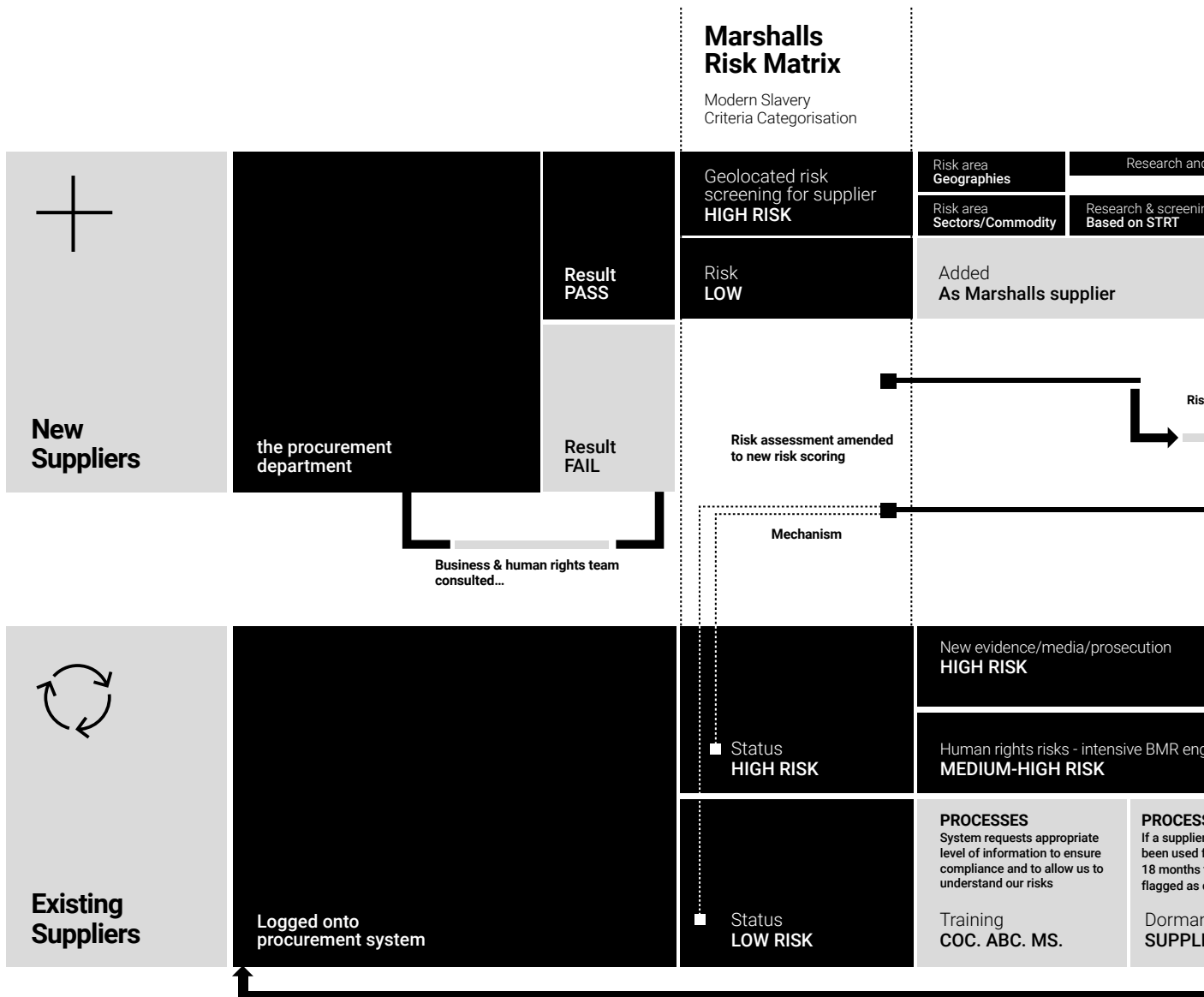
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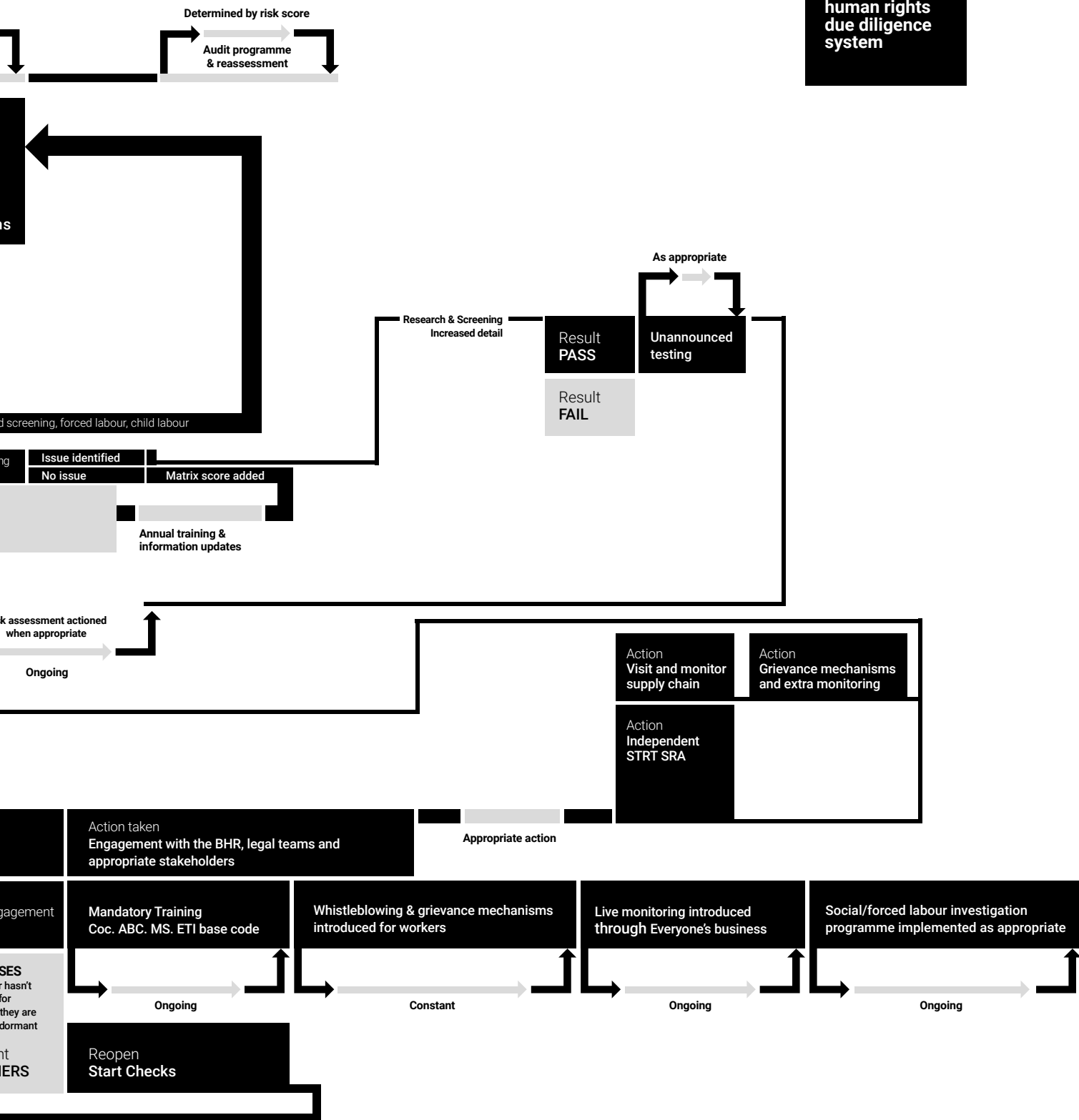
Human Rights Due Diligence System

Our human rights due diligence (HRDD) diagram represents a live system which is continually being developed, refined and enhanced to help us understand where our risks lie. All new suppliers must undergo an onboarding process, but some suppliers in higher risk categories or regions may have to undergo a rigorous due diligence assessment before any formal engagement takes place.

Approaches towards existing suppliers are tailored to risk level. Virtual and face to face assessments and social audits can be carried out in house or via external partners. Negative findings, NGO or media reports can trigger deeper investigations, resulting in remediation, education and monitoring programmes as required.



The Marshalls human rights due diligence system



Stakeholder Engagement

We would like to thank all of the internal and external stakeholders who had input into this report, in particular:

Shelley Rowe, Market Intelligence Analyst, Marshalls

Chris Thompson, Head of Procurement - Indirect Expenditure, Marshalls

Steve Newton, Head of Procurement - Traded Items and Natural Stone, Marshalls

Jo Holmes, Head of ESG Reporting, Marshalls

Kyle Renwick, Supply Chain Manager, Viridian Solar

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



Elaine Mitchel-Hill

ESG and Human Rights Director

elaine.mitchel-hill@marshalls.co.uk



Emma Crates

Business and Human Rights Manager

emma.crates@marshalls.co.uk



Nasriah Jamaludin

Business and Human Rights Executive

nasriah.jamaludin@marshalls.co.uk



Landscape House, Premier Way,
Lowfields Business Park, Elland
HX5 9HT, United Kingdom
2023