



Marshalls



End Modern Slavery

Marshalls plc

Modern Slavery Statement

2021





We do the right things, for the right reasons, in the right way

This is The Marshalls Way of doing business



Martyn Coffey
Marshalls' Chief Executive
June 2021

This, Marshalls' sixth Modern Slavery Statement, has full Board approval and its unreserved commitment to continue to do all that we can as a national business with an international supply chain to demonstrate what can be done by the private sector, and to leverage the entirety of our value chain to eliminate modern slavery.

We aim to encourage other organisations in our sector to fully engage, to share what we know and have found to be effective, to offer our collateral at no cost to others, to share our challenges, to be open to learning, to lead and support innovative approaches and to identify risks. We also want to lead the way and speak out when instances of modern slavery are found.

We recognise as a Board that for some of the most vulnerable in our society and in our supply chains, the events of the last 18 months have put them in a position of increased vulnerability and further exposed them and their families to exploitation. The pandemic has meant that human rights and modern slavery are firmly at the top of our own agenda like never before, and rightly so.

We have a robust and far-reaching Business & Human Rights Roadmap to 2030. We are clear what this means for us in terms of concrete actions in the coming 12 months. We have total alignment across our business to ensure that we do all that we can to eliminate modern slavery in all of its forms. Internal drive, challenge and desire are strong and our message is clear; we are focused upon building knowledge, confidence and respect for human rights. Our people are fully engaged, and the Board is clear that we always say 'no to modern slavery'.



Highlights from the past 12 months at a glance

- › Reviewed, revised and strengthened our sustainable procurement human rights due diligence system and our processes.
- › Continued to ensure that all of our employees are exposed to modern slavery awareness training - specifically how to spot the signs and how to report, and our stance and policies.
- › Continued to deepen our engagement with suppliers with higher risk supply chains, and in higher risk geographies - working in five geographies to roll out a grievance mechanism and develop an IT platform for live monitoring providing real-time information.
- › Continued to actively engage with the UN, ILO Child Labour Platform, UK Government, overseas governments, international business associations and bodies on the issues of modern slavery.
- › Worked in partnership with Crimestoppers on the delivery of the #slaveryonyourdoorstep campaign, making the entirety of our transport and logistics 'spot and report' collateral free to use for other businesses, as well as the production of an associated podcast featuring experts in the field, blogs and articles - all to raise the awareness and reporting of modern slavery.
- › Continued to provide intelligence to law enforcement in the UK, including the Gangmasters & Labour Abuse Authority ("GLAA"), local law enforcement, the Modern Slavery Helpline and via Crimestoppers.
- › Maintained our Power of Logistics transport and logistics initiative by undertaking a second wave of training, and also engaging two of our biggest suppliers to join forces – Tarmac and Hanson – as well as other independent organisations such as Freight Line International.
- › Published our Modern Slavery Country Risk Mapping for 100% of our business operations and supply chains and making this publicly available.
- › Undertaken advanced supply chain mapping for 100% of our natural stone highest risk supply chains, working in partnership with Traffik Analysis Hub.
- › Implemented an independent Modern Slavery Threat Assessment programme throughout our UK operations, which includes 52 sites/locations.
- › Undertaken an independent internal investigation for one of our highest risk suppliers in the UK in the waste and recycling sector.
- › Continued to actively engage with UK Government and associated bodies to address root causes of modern slavery.
- › Continued to work with Bright Future, and to be a founding member of its co-operative status, offering work opportunities to victims of modern slavery in the UK.

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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 2021 End Modern Slavery Report. Download it at:
marshalls.co.uk/sustainability/modern-slavery

Areas of activity

As shared in our previous Modern Slavery Statement, as a result of the global pandemic, we have reviewed all aspects of our business and human rights programme to address the increased vulnerabilities of many within our business operations and supply chains. As a result we have revised, enhanced and expanded our focus areas and activities for the next 12 months – these constitute our key performance indicators.

Focus	Activity for the coming 12 months	
Strategic collaboration to accelerate the eradication of modern slavery	<ul style="list-style-type: none"> › Develop/support/engage in strategic collaborations/partnerships/initiatives to identify, prevent and mitigate human rights abuses in Marshalls' own business operations and global supply chains; build knowledge, capacity and facilitate engagement from/with the wider construction sector and across sectors, as appropriate. 	<ul style="list-style-type: none"> › Active and deepened engagement with the ILO Child Labour Platform. › Delivery of our UN International Year for the Elimination of Child Labour Action Pledge ("IYECL"). › Co-Chairing of UK Government Modern Slavery Training Delivery ("MSTD") sub-group focusing upon construction, transport and logistics. › Active engagement with the UNGC PACE investor initiative focusing on the worst forms of child labour. › Continue to work with Traffik Analysis Hub to further develop its supply chain mapping programme, and to engage the private sector. › Continue to engage with the Dutch and Flemish Government's responsible production and purchase of natural stone initiative, TruStone. › Support the work of Crimestoppers regarding transport and logistics and spot and report. › Support and engage in the work of CCLA Find it, Fix it, Prevent it investor initiative. › Establish an internal Business and Human Rights Accelerator Group to aid the embedding, implementation and delivery of the BHR Roadmap to 2030. › Engage with universities to support and facilitate research regarding modern slavery and human trafficking.
Remediation and support for victims/survivors	<ul style="list-style-type: none"> › Implement appropriate remediation action to ensure that victims of modern slavery, identified within our own business operations and supply chains, can access the appropriate support, and that we offer support more widely as appropriate. 	<ul style="list-style-type: none"> › Review and strengthen our process of remediation and support for 80% of the supply chain identified as high risk, by volume of product for natural stone. › Continue to actively engage with Bright Future – work placement/job programme for survivors of modern slavery in the UK. › Increase in-country presence and live monitoring.
Human rights due diligence systems	<ul style="list-style-type: none"> › Continuously improve our human rights due diligence systems and processes, and encourage the identification of instances of modern slavery – taking appropriate action to report and also to ensure that the most vulnerable are not further adversely affected. 	<ul style="list-style-type: none"> › Roll out of enhanced human rights due diligence ("HRDD") supplier systems and processes. › Further refinement of our supplier risk analysis and resulting action following Slavery and Trafficking Risk Template ("STRT") implementation. › Advanced supply chain network mapping – against global human trafficking data – for all high risk suppliers. › Continue with specific work regarding Chinese suppliers in relation to forced labour. › Further progress with our enhanced Modern Slavery Risk Assessment programme across UK business operations.
Effectiveness in identifying and preventing slavery	<ul style="list-style-type: none"> › Report on our efforts and effectiveness in helping to ensure that modern slavery and human trafficking is not taking place in our business operations and global supply chains. 	<ul style="list-style-type: none"> › Roll out the Safecall whistleblowing hotline in high risk geographies for natural stone. › Roll out live monitoring in high risk geographies for natural stone, by volume. › Expand the advanced supply chain network mapping to assist with prevention and identification.
Reporting on efforts to address root causes	<ul style="list-style-type: none"> › Report on our efforts to address the root causes of salient human rights issues; child labour, bonded labour, prison labour and forced labour. 	<ul style="list-style-type: none"> › Continue to share with appropriate stakeholders, agencies, authorities, platforms and associations, our research, findings and insights as a result of our activity with UN partners, NGOs and others. › Continue to engage with governments to provide evidence and intelligence, and to push for mandatory HRDD and the engagement in private sector efforts. › Work to deliver the 'Guiding Framework' within our IYECL Action Pledge.
Delivery of modern slavery training, and its impact	<ul style="list-style-type: none"> › Enhance, develop, shape and deliver modern slavery training which empowers and assists internal decision making in support of human rights, and increases the reporting of instances of modern slavery. › Active engagement in the development, shaping and delivery of modern slavery training in the UK – across sectors – using IT. 	<ul style="list-style-type: none"> › Bespoke training for HR, procurement, operations and environmental teams. › Knowledge partner accelerator programme with internal colleagues. › Roll out of modern slavery and ETI training in four languages. › Continue to actively engage with the MSTD Group.



How Marshalls does business



The Marshalls group of companies (including Marshalls plc and its direct and indirect subsidiaries, referred to in this Statement as "Marshalls"), wherever it operates around the world, is committed to conducting business with honesty and integrity; in treating all people with dignity and respect and in complying with applicable laws, regulations and treaties.

Marshalls is also committed to protecting and promoting human rights globally. Marshalls does not tolerate child labour, forced labour, including prison labour, or any use of force or other forms of coercion, fraud, deception, abuse of power or other means to achieve control over another person for the purpose of exploitation.

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

 marshalls.co.uk/sustainability/document-library

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

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

I	The organisation's structure, its business and its supply chains	see page	6
II	Its policies in relation to slavery and human trafficking	see page	9
III	Its due diligence processes in relation to slavery and human trafficking in its business and supply chains	see page	10
IV	The parts of its business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps it has taken to assess and manage that risk	see page	12
V	Its effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate	see page	13
VI	The training available to its staff involved in supply chain management and employees throughout the rest of the organisation	see page	14



Our business model

Our capital >

Human

The Group has an experienced workforce of approximately 2,500 employees with specialist skills and a high level of engagement.

Financial

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

Business

National coverage and sustainable operations across a national network of manufacturing sites.

Long-standing relationships with customers and suppliers and a diverse product range covering a number of end markets.

Intellectual

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

Natural resources

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

Technology

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

Social and relationships

We have strong stakeholder relationships through constructive dialogue with local authorities, industry bodies and regulators.

Our stakeholder relationships are underpinned by a focus on responsible business which is a key part of the Marshalls culture.

Our business

Sourcing >

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

Related risks

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

Manufacturing >

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

Related risks

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



< Sustainability

Committed to ensuring our ESG credentials are at the heart of the Marshalls brand.

- | | |
|--|---|
| <ul style="list-style-type: none"> > Carbon reduction targets > Science-based targets > People commitment > Diversity, Equality, Respect and Inclusion ("DERI") strategy > Strong governance | <h4>Related risks</h4> <ul style="list-style-type: none"> > Extreme weather > Climate change > Public perception > Legal and regulatory |
|--|---|

i Read more about Marshalls in the latest annual report: marshalls.co.uk/investor/results-reports-and-presentations



Value creation

Distribution >

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

Related risks

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

Customers >

Our customers range from domestic homeowners to public sector and commercial. We seek to exceed the expectations of customers in all our end markets.

Related risks

- > Macro-economic and political
- > Extreme weather
- > Climate change
- > Cyber security risks
- > Competitor activity
- > Legal and regulatory



< Innovation

Innovative product solutions for the Built Environment.

- | | |
|--|---|
| <ul style="list-style-type: none"> > Market innovation > Product innovation > Process innovation > Materials innovation > Digital innovation | <h4>Related risks</h4> <ul style="list-style-type: none"> > Road infrastructure > Cost inflation > Environmental > Climate change |
|--|---|

Shareholders



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

Dividend per share

4.30p

Customers



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

New products

8% of sales
(2019: 12%)

Employees



Promotion of professional development, career opportunities and competitive benefit packages

Active apprenticeships in 2020

99

Suppliers



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

Suppliers trained on anti-bribery and modern slavery

70%

Communities and environment



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

Commitment to reduce greenhouse gas emissions

40% by 2030

Government and regulatory bodies



R&D investment planned for 2021

£5m

Links to strategy can be found in our Annual Report at: marshalls.co.uk/investor/results-reports-and-presentations

Shareholder value

Sustainable profitability

Relationship building

Organic expansion

Brand development

Effective capital structure and control framework

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

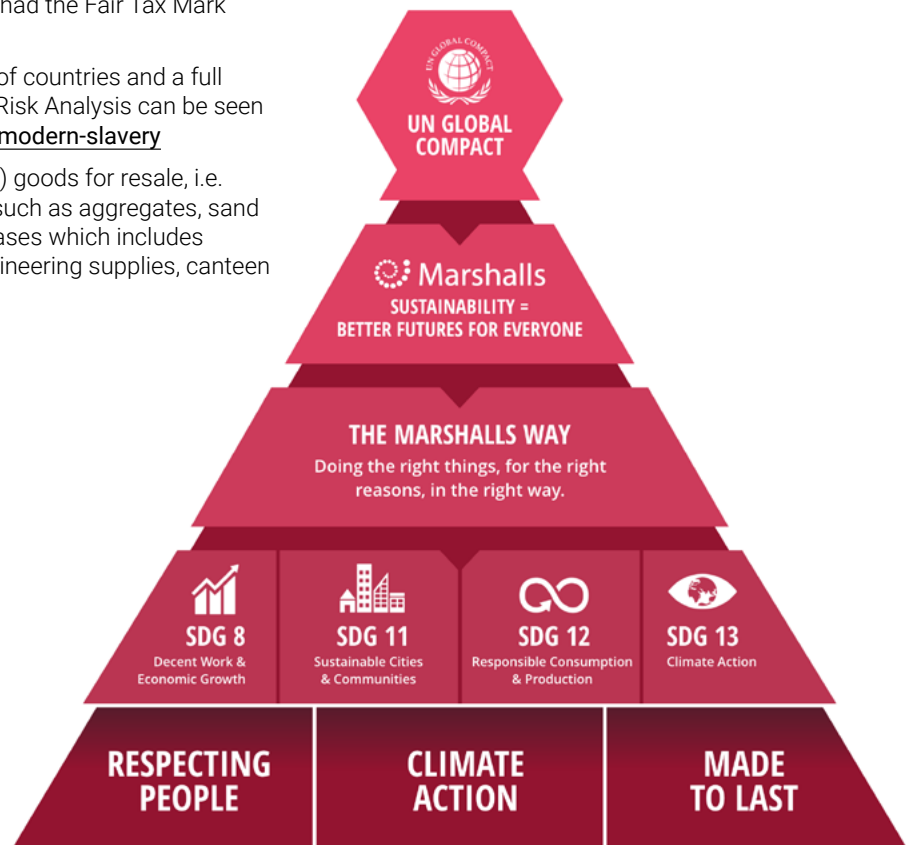
Marshalls’ approach to sustainability is guided by our commitment to the United Nations Global Compact (“UNGC”) – we’ve been a signatory since 2009. For us, sustainability means ‘creating better futures for everyone’. We do this The Marshalls Way – doing the right things, for the right reasons, in the right way. We’re clear that the Sustainable Development Goals that we can contribute to most positively are SDG 8, SDG 11, SDG 12 and SDG 13. For Marshalls, the three pillars underpinning this are Respecting People, Climate Action and Made to Last.

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

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

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

We are clear that seeking to understand human rights and modern slavery risks is multi-dimensional, and as such we approach this in a number of related ways; the global context in which our operations and supply chains sit, the country and sectoral context and risks, our own internal procurement human rights due diligence processes including how we consider risk and the analysis of information that we require from our suppliers, the monitoring and assessment of higher risk suppliers and how this informs our programme, information that we receive from grievance mechanisms, plus insights and feedback from auditors, NGO observers, bespoke programmes with UN agencies, and other actors.

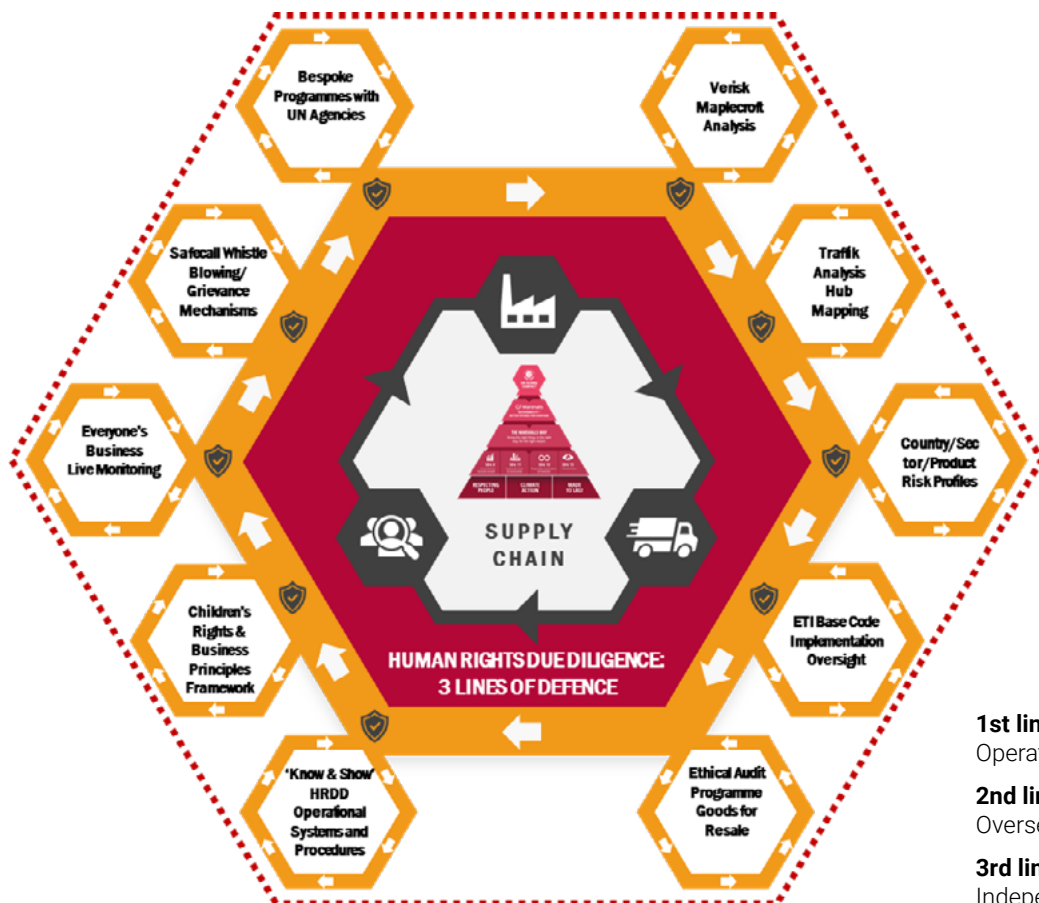


The diagram below expresses the ways in which we actively engage in order to identify risks within our business operations and supply chains.

During the second half of 2021, an enhanced IT platform and associated procedures will come online allowing us to capture human rights due diligence information, including modern slavery data, and increasingly human rights and environmental due diligence information ("HREDD"). This new IT platform will allow us to more easily analyse information, identify risk/s, monitor existing risk/s and respond to any changes in risk, to introduce real-time monitoring and audit information, and to remain engaged with suppliers more easily.

Internationally, we continue to focus upon our goods for resale suppliers who currently represent the highest risk for us. Our approach, although structured, will remain flexible enough so that we can respond to the increased information available to us through the introduction of our new IT platform. India, China, Vietnam, Turkey and Brazil are of particular focus. We continue to monitor international developments on a constant basis.

In the UK, we continue to focus upon temporary labour providers, and on those suppliers who use significant amounts of temporary labour within their own operations.



- 1st line of defence:**
Operational management
- 2nd line of defence:**
Oversee risk
- 3rd line of defence:**
Independent assurance



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

We have an ongoing programme of independent modern slavery risk assessments ("IMSRA") within our own UK operations.

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

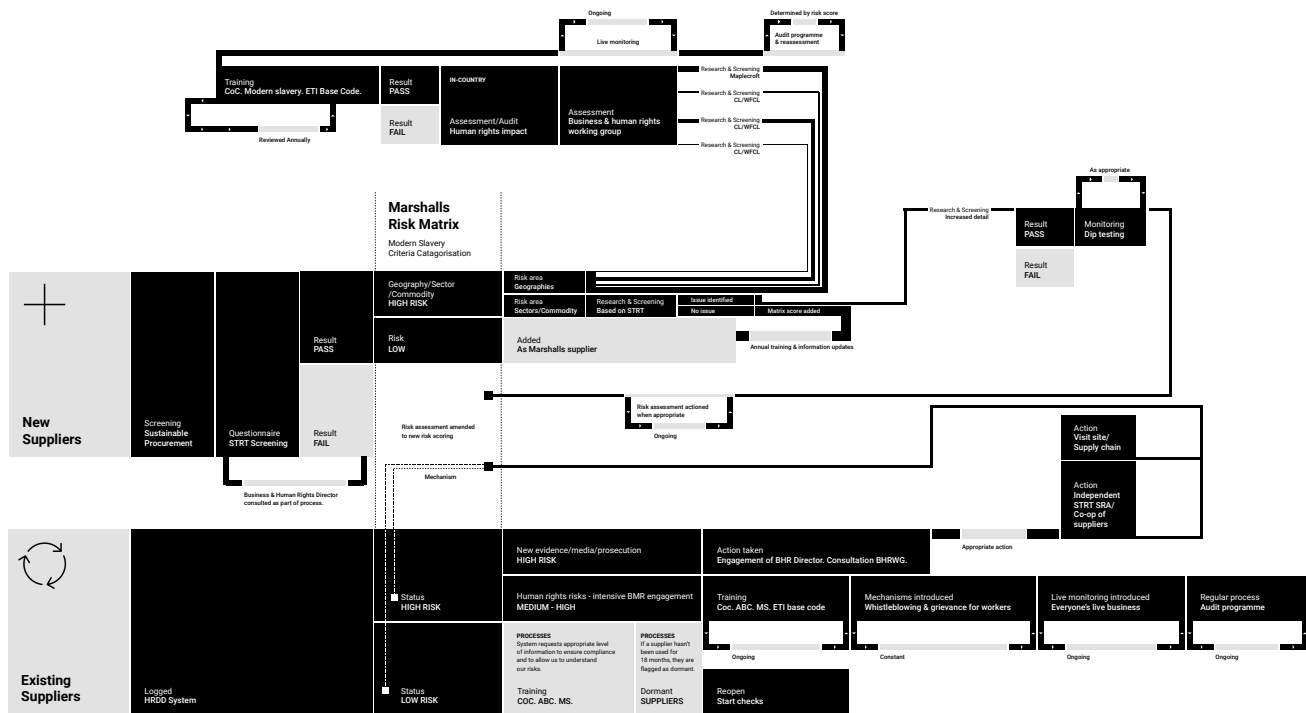
Marshall's has a clear process for the ongoing management and verification of its supplier base which seeks to evaluate and address risks of human trafficking and slavery.

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

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

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

Human rights due diligence system



II. Policies in relation to slavery and human trafficking

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

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

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

Marshalls' contractors are subject to the terms of all contracts with the organisation, including obligations to comply with our Code of Conduct. Marshalls reserves its contractual rights to terminate relationships with contractors who fail to comply with law and/or whose contractual non-compliance is not addressed in a timely manner.

Compliance with our Code of Conduct is an essential factor in Marshalls' decision whether to enter into, continue or extend existing business relationships with a supplier or contractor.



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

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

In addition, readers should look at Marshalls' Annual Report 2020 and UNGC Communication on Progress & Sustainability Report 2020



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

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

Existing suppliers

- › The global pandemic has slowed the introduction of our live monitoring app which will further embed human rights within our organisation and operations. It will provide real-time information on specific measures regarding modern slavery and decent work. Importantly, the app will include a geo-location facility enabling us to attribute any information to a distinct location, which is important when quarry locations are very rural for example.
- › The pandemic has also slowed the introduction of Safecall, the whistleblowing hotline, to our overseas supply chains identified as high risk. This work will resume as soon as possible with the aim of being fully in place by the end of 2021.
- › All suppliers receive our Code of Conduct and associated training.
- › All suppliers will receive specific Ethical Trading Initiative (“ETI”) Base Code training.
- › All suppliers will receive revised modern slavery training.

Existing high risk suppliers

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

New suppliers

- › Initial desk-based due diligence is undertaken together with analysis of country, regional and sectoral risk, as seen in our Modern Slavery Risk Analysis – marshalls.co.uk/sustainability/modern-slavery
- › Our desk-based due diligence processes also involve the assistance of third parties such as Verisk Maplecroft and Traffik Analysis Hub.
- › Details of this due diligence activity are discussed and reviewed within the Sustainable Procurement Working Group which includes key individuals from procurement, commercial, HR, sustainability and human rights teams throughout the process.
- › Where a potential new supplier is identified as having a moderate to significant risk, the procurement team consults with the Business & Human Rights Director as part of its process before approving a supplier.
- › New suppliers are asked to complete the STRT process and the feedback is reviewed.
- › Supplier visits are undertaken with information captured within the human rights due diligence IT system.
- › Assessments and audits are undertaken as appropriate either by Marshalls staff or appropriate third parties.

New suppliers in high risk geographies

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

We consult with in-country offices of appropriate UN agencies, such as the International Labour Organisation and the International Organisation for Migration.

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

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



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

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

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

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

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

Children's Rights and Business Atlas
childrensrightsatlas.org/atlas/index/unicef_elimination_child_labour/2016/

Social Responsibility Alliance
socialresponsibilityalliance.org

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

Ratification of Fundamental ILO Conventions
ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:10011:0::NO::P10011_DISPLAY_BY,P10011_CONVENTION_TYPE_CODE:1,F

World Justice Project – Rule of Law Index
data.worldjusticeproject.org/

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

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

GLAA Labour Exploitation Sectoral Risk
gla.gov.uk/publications/labour-exploitation/

Drivers of Modern Slavery Comparison – United Kingdom



Drivers of Modern Slavery Comparison – India



Enhanced supply chain mapping – Traffik Analysis Hub

Marshalls has been a participant of Traffik Analysis Hub since 2020 – the first in the UK and in its sector. Traffik Analysis Hub is the world's first global data hub to facilitate the sharing of information about human trafficking across all industries and sectors, created by STOP THE TRAFFIK and IBM, and representing an investment in excess of £3 million.

We recognised the power of this global data and have worked closely with Traffik Analysis Hub to develop its supply chain mapping component, and to encourage engagement by others in the private sector, and in governments.

Traffik Analysis Hub allows Marshalls to carry out advanced supply chain mapping against global data regarding human trafficking and modern slavery. The data can be mined to allow us to see our supply chains in context, to understand transport, shipping and logistics in relation to modern slavery, and to see the destination countries, transit and destination as route maps across the globe. We are able to see and understand our supply chains, and the detailed parts of our supply chain which represent the greatest risks.

This advanced system gives us unprecedented insight into our supply chain and business operations to help better understand our risks, focus our resources and also to work with others to eliminate modern slavery.

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

As previously stated, Marshalls classifies its suppliers as follows:

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

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

Marshalls continues to:

- > Map its activities in relation to these three classification areas.
- > Further identify high risk areas within its 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 its business and supply chains. Details of this activity are documented in our End Modern Slavery Report which is published annually online.



Top image:

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

Bottom image:

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

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

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

- › Reviewed, revised and strengthened our sustainable procurement human rights due diligence system and our processes.
- › Continued to ensure that all of our employees are exposed to modern slavery awareness training; specifically how to spot the signs and how to report, and our stance and policies.
- › Continued to deepen our engagement with suppliers with higher risk supply chain, and in higher risk geographies; working in five geographies to roll out a grievance mechanism, and develop an IT platform for live monitoring which will provide real-time information.
- › Continued to actively engage with the UN, ILO Child Labour Platform, UK Government, overseas governments, international business associations and bodies on the issues of modern slavery.
- › Worked in partnership with Crimestoppers in the delivery of the #slaveryonyourdoorstep campaign – making the entirety of our transport and logistics ‘spot and report’ collateral free to use for other businesses, as well as the production of an associated podcast featuring experts in the field, blogs, articles etc, all to raise the awareness and reporting of modern slavery.
- › Continued to provide intelligence to law enforcement in the UK, including the GLAA, local law enforcement, the Modern Slavery Helpline and via Crimestoppers.
- › Maintained our Power of Logistics transport and logistics initiative by undertaking a second wave of training, and also engaging two of our biggest suppliers to join forces – Tarmac and Hanson – as well as other independent organisations such as Freight Line International.
- › Published our Modern Slavery Risk Analysis for 100% of our business operations and supply chains – making this publicly available.
- › Undertaken advanced supply chain mapping for 100% of our natural stone highest risk supply chains, working in partnership with Traffik Analysis Hub.
- › Implemented an independent Modern Slavery Threat Assessment programme throughout our UK operations, which includes 52 sites/locations.
- › Undertaken an independent internal investigation for one of our highest risk suppliers in the UK in the waste and recycling sector.
- › Continued to actively engage with UK Government and associated bodies to address root causes of modern slavery.
- › Commissioned an independent assessment against the Children’s Rights & Business Principles to better understand the impact of our business on children in the UK, India, Vietnam and China.
- › Continued to work with Bright Future, and to be a founding member of its co-operative status, offering work opportunities to victims of modern slavery in the UK.

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

VI. The training available to staff

All suppliers, both existing and new, are required to undertake Marshalls' online training module regarding issues of legal compliance, including modern slavery and human trafficking. Additional supplier education activity has been extended to include modern slavery and human trafficking and will continue throughout 2021/22. This activity has included education workshops, online training, face-to-face meetings, newsletters, roadshows, conferences, emails, social media, public relations and communications activity.

Existing and new employees directly involved in procurement, human resources and the supply chain are required to undertake training regarding issues of legal compliance, including modern slavery and human trafficking.

Marshalls also trains its employees in the standards of ethical behaviour, human rights, children's rights, child labour, modern slavery and human trafficking, related policies, procedures and legal requirements. This is currently done via the Marshalls Learning Zone and in person.

Further work will be done to ensure that all employees and temporary workers are trained at induction about our policies regarding modern slavery and trafficking within a sustainability, ethical business and human rights context.

During 2021, Marshalls will continue its internal awareness campaign regarding modern slavery. This will include posters throughout the organisation's UK-based operations, board briefings, briefing of the marketing, procurement and human resources teams, briefing of works/facilities managers, face-to-face meetings with key individuals, specific human resources and procurement team training, specific training for the logistics team, modern slavery online courses available to all employees and a modern slavery app on all company mobile phones.

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

Marshalls has committed to BSI ISO 20400 Sustainable Procurement. As part of this, all members of the procurement team will engage in enhanced modern slavery training, engagement and e-learning.

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



Marshalls will update and publish this Modern Slavery Statement annually.

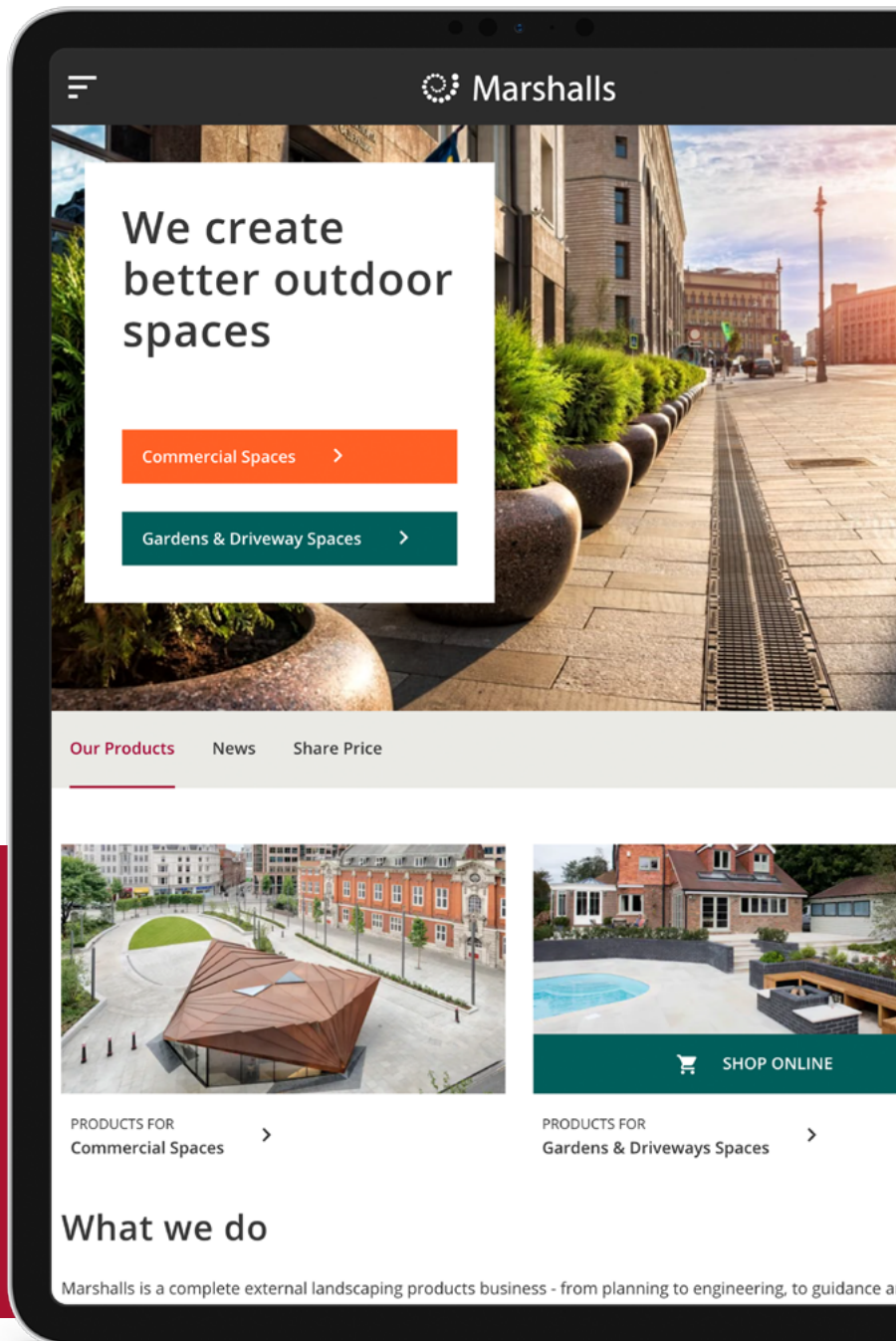


More information

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



[marshalls.co.uk/
sustainability](https://marshalls.co.uk/sustainability)





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