





INTRODUCTION...

The United Nations Global Compact (UNGC) was launched in 2000 to harness the power of collective action in the promotion of responsible corporate citizenship. The Compact is a framework for businesses that are committed to aligning their operations and strategies with the ten universally accepted principles in the areas of human rights, labour, the environment and anti-corruption.

As the world’s largest global corporate citizenship initiative, the Global Compact is concerned with demonstrating and building the social legitimacy of business and markets. Marshalls plc became a signatory of the UNGC in January 2009 and a member of the UK Network later the same year.

The UNGC is not a regulatory instrument, but rather a voluntary initiative that relies on public accountability, transparency and disclosure to complement regulation and to provide a space for innovation and collective action.

This is the Company's seventh Communication on Progress and outlines how Marshalls is aligned with the ten principles and how, throughout 2016, the plc intends to develop its activities in support of the framework laid out by the UNGC.

- 1 To mainstream the ten principles in business activities around the world;
- 2 To catalyse action in support of broader UN objectives, such as the Sustainable Development Goals.



UNGC TEN PRINCIPLES

HUMAN RIGHTS

- PRINCIPLE 1:** Businesses should support and respect the protection of internationally proclaimed human rights;
- PRINCIPLE 2:** Make sure that they are not complicit in human rights abuses.

LABOUR

- PRINCIPLE 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- PRINCIPLE 4:** The elimination of all forms of forced and compulsory labour;
- PRINCIPLE 5:** The effective abolition of child labour;
- PRINCIPLE 6:** The elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

- PRINCIPLE 7:** Businesses should support a precautionary approach to environmental challenges;
- PRINCIPLE 8:** Undertake initiatives to promote greater environmental responsibility; and
- PRINCIPLE 9:** Encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

- PRINCIPLE 10:** Businesses should work against all forms of corruption, including extortion and bribery.

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STATEMENT



Martyn Coffey, Marshalls CEO
Driving Business Growth
Through Sustainability

Statement of Support for the UNGC
Martyn Coffey, Marshalls CEO

Each year as I write this statement of support for UNGC I recognise that it is a reaffirmation of Marshalls commitment to uphold the UNGC principles to which we committed some seven years ago. It gives me the opportunity to reflect on our sustainability journey, to consider how far we have come and what yet lies ahead.

The 1st of January 2016 saw the 17 Sustainable Development Goals (SDGs) come into force.* Adopted by world leaders in September 2015 at an historic UN Summit these SDGs now provide the focus for the next fifteen years and call all countries to mobilize efforts to end all forms of poverty, fight inequalities and tackle climate change.

I welcome the SDGs as it is clear to me that for businesses to succeed, they require access to energy, good governance and sustainable economic development, among other fundamental factors, and that these same underlying needs overlap with public sector priorities underpinning peace, security and poverty reduction.

Companies can do a great deal to address these common interests and create long-term value and I'm proud to say that through our engagement with UNGC over the past seven years Marshalls has been making a rich

contribution; engaging with governments, collaborating with UN partners, developing innovative products which respond to environmental challenges, addressing modern slavery and transparency in our global supply chain. Essentially were making sustainable choices on a daily basis that are both good for business and for society.

Empowered by our brand values of leadership, excellence, trust and sustainability I can say with confidence that Marshalls' team works passionately and diligently to uphold the UNGC pillars of human rights, labour, environment & anti-corruption. By doing so, and doing the right thing, we are leveraging sustainability to drive competitive advantage for our business.

This UNGC Communication on Progress sits alongside our Annual Report as the main vehicle for sharing our sustainability progress. Read on and you too will see for yourself the actions which so clearly show that sustainability is at the heart of all that we do.

* Source: https://www.unglobalcompact.org/AboutTheGC/guide_to_corporate_sustainability.html



STATEMENT BY UNGC UK
CHAIR CHRIS HARROP



Chris Harrop, Marshalls' Group Marketing Director, (Responsible for Sustainability), UNGC UK Network Chair, ETI Non-Executive Director

“Businesses everywhere play a key role in shaping the future, and UN Global Compact participants lead the way. The SDGs give important new direction to the UN Global Compact’s founding mission to encourage companies to do business responsibly – based on our ten universal principles – and to provide solutions to global challenges” *

Lise Kingo, Executive Director, UN Global Compact

I am looking forward with anticipation to the UN Global Compact Leaders Summit on 22-23 June 2016 in New York which will be an important milestone for kick-starting business action on the new sustainable development agenda. Here global companies of all sizes and from all sectors will convene and show how they are innovating their operations and strategies to advance the SDGs.

The Summit will make clear the opportunities that lie within the SDGs and aims to unleash the potential of turning global goals into local business. Through motivational talks, intimate roundtables and SDG-themed networking opportunities, signatories will doubtless be inspired to shape the business models, products and services of tomorrow.

My term as Global Compact Local Networks Chair comes to an end during 2016 and I'm pleased to say that our UK Network is in great shape and is going from strength-to-strength. Global Compact Local Networks activity is extremely important in advancing corporate sustainability at the grassroots level by helping companies understand what responsible business means within a national context.

All companies face unique challenges in striving to operate responsibly and have many different opportunities to make a positive impact. Those companies with operations and supply chains extending around the world also need to understand locations far away from headquarters and be able to view sustainability through a local lens. It is here that the UK Network provides so much in terms of access to high quality information, high calibre speakers and importantly safe spaces to share, discuss and debate pressing issues.

With the ongoing work of the UK secretariat, the commitment of trustees and the energy of the active network members, 2016 will see us:

- Continue to focus upon increasing the number of UK organisations engaging with the UNGC framework and the UK network;
- Continue to forge links with other UN entities & initiatives which have the potential to support corporates in the effective delivery of UNGC principles;
- Continue to focus network educational activities on the key issues of; human rights, modern slavery, women empowerment, children's rights & business principles, water, climate change & biodiversity, business & peace.

I look forward to serving out my term as Chair during 2016, and to working with my colleagues at the UK Network to the very best of my ability. I am delighted to handing over to my successor an extremely robust and engaged Network. I will continue to actively engage with and support the UK Network and to demonstrate through Marshalls plc how organisations can contribute to the sustainable development agenda and deliver a clear competitive advantage for our business as a result of UNGC engagement.

* Executive Update: Annual Letter to United Nations Global Compact Participants : <https://www.unglobalcompact.org/news/3281-02-04-2016>

FOREWORD

Chris Harrop, Marshalls Group Marketing Director, Responsible for Sustainability.

Chris Harrop, Marshalls' Group Marketing Director, Responsible for Sustainability, Global Compact UK Chair, ETI Non-executive Director



Welcome to all readers of this Marshalls' seventh UNGC Communication on Progress Report. I'd like share with you here highlights of the challenging & forging work that we've undertake in the last twelve months. Our work during 2015 has been very much shaped by the business and human rights agenda, our involvement in UK Governments consultation work leading up to the introduction of the Modern Slavery Act 2012 and discussion around the SDGs.

Foresight and good planning ensured that we began our human rights impact assessment programme well in advance of the legal requirement now laid down in UK company law. In 2010 we began our global Human Right's Impact Assessment programme which has over the past five years now become a much larger and expansive human rights programme of activity. This will stand us in good stead as we move forward into an era shaped by the Sustainable Development Goals and also as we make our first Modern Slavery (Transparency in the Supply Chain) Disclosure Statement as we are required to do now on an annual basis. We have also made the decision to engage in the ILO IPEC Child Labour Platform which will allow us to continue our work regarding the elimination of child labour and the support of children's rights around the globe.

Marshalls became a UNGC signatory in 2009 and a Global Compact Local Network member later the same year. My tenure will come to an end during 2016 but in the meantime and under my guidance as Chair the Global Compact Local Network UK continues to be a platform for high level networking, discussion, dialogue and peer support, specialised work streams, and open lines of communication directly with UNGC

HQ in New York. The Global Compact Local Network remains a key resource for Marshalls as we intelligently engineer our business for the future and ensure that we're well positioned to face the challenges as well as take advantage of the emerging opportunities.

Our CEO, Martyn Coffey, champions Marshalls strategic approach to sustainability and made plain in his Statement of Support that, '...essentially were making sustainable choices on a daily basis that are both good for business and for society.' It's the way that we do business and the UNGC framework is a fundamental part of Marshalls' long-term business strategy.

Marshalls' employees are all aware of the businesses commitment to sustainability and what this means to them in terms of what they do here at work and also beyond in the local and global community. New employees are also introduced to our sustainable approach through a specially developed induction process. All employees also have the opportunity to engage with Marshalls Certificate in Sustainability which is heartily endorsed by the Global Compact Local Network UK.

The Leadership Blueprint continues to be embraced throughout all of our operations and divisions and helps us to maintain our leadership position within our industry. I must admit to a quiet sense of pride and satisfaction when I see and hear employees engaging with enthusiasm and talking to each other and our wide range of stakeholders with knowledge of our approach to sustainability and why this is so important. Again, it's the way we do business.



Regular readers of our COP's will be very familiar with our sustainability model which incorporates our membership of the UNGC and FTSE4GOOD, and our continued commitment to Integrated Management Systems. It also continues to reflect our active engage in and response to the Blueprint for Corporate Sustainability Leadership framework laid out by the UNGC.

The three pillars of sustainability; economic, environmental and social continue to provide the focus for our activity. Underpinned by the UNGC principles regarding the environment, labour, human rights and anti-corruption.

Marshalls remains focused on being a successful and profitable business whilst minimising our impact on the environment, looking after the people and communities where we operate, striving to be innovative and to respond to market challenges and opportunities and to taking the lead in our sector.

Our purpose as a business is to 'Create Better Spaces' for all of our customers. We do this 'The Marshalls Way' by ensuring that we live our shared values of leadership, excellence, trust and sustainability. These are the values that our business is built on.

THE VALUES OUR BUSINESS IS BUILT ON

LEADERSHIP is not just about being a manager. It means that we should all set the standards that others aspire to, no matter what our role is within the business. We should all take responsibility for our actions and try to set a good example every single day.

EXCELLENCE means that we must always strive to be the best we can be. We must be ambitious and demand high performance from ourselves as well as others. We must also be innovative and constantly seek to improve our performance. It's essential that we always make good our commitments and have pride and passion in everything that we do.

TRUST means that we are open, honest, fair and consistent. We must always follow through on our promises, respect others' talents and treat each other fairly whilst always acting with integrity.

SUSTAINABILITY means that we are committed to doing the right thing for the long-term good of our business, for society and for the environment. This means that we must always do the right thing and consider the impact on our business and of our decisions and actions.

THE VALUES OUR BUSINESS IS BUILT ON



LEADERSHIP • EXCELLENCE • TRUST • SUSTAINABILITY

Inspired to the Marshalls' Way

Marshalls
Creating Better Spaces

Employees throughout the business continue to be actively involved:



Andy Ackroyd,
Commercial
Controller



Richard Capper,
Energy
Management
Engineer



Susie Fehr,
HR Director



Helen Taverner,
Group Systems Auditor



Claire Quinton-
Tulloch,
Head of PR



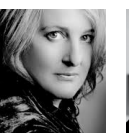
David Morrell,
Group Head of
Sustainability



Matthew Gibb,
Group Environment
& Water Manager



Nick Carr,
Group Health &
Safety Advisor



Elaine Mitchel-Hill,
Business & Human
Rights Specialist



Samantha Munkley,
Employee Engagement
Manager



Chris Frankland,
International Product
Manager



Andrew Stalker,
Head of
Commercial
Marketing



Richard Beal,
Procurement Director



Claire Blake,
Head of Domestic
Product
Management



Pete Stevens,
Group Carbon &
Energy Manager



Steve Swanwick,
Group Systems
Manager



Sophie Rowe,
PR Executive



Nicole Gledhill,
Product Manager
Commercial Paving



Chris Griffith,
SuDs and CBP
Manager



Alice Couldwell,
Linear Drainage
Product Manager

These employees work alongside those with special responsibilities including; Group Head of Sustainability, David Morrell, and Group Procurement Director, Richard Beal, Group Human Resources Director, Susie Fehr and Business & Human Rights Specialist, Elaine Mitchel-Hill.

Marshalls' progress is monitored thoroughly and on an ongoing basis against both internal and external measures. As a matter of course Marshalls seeks verification from third party organisations which include non-governmental organisations and independent auditors; The Carbon Trust, BSI, Wild Life Trust, ETI & BITC. We also engage with third sector organisations as 'critical friends' in order that we get full and frank feedback on a range of issues especially in relation to our human

rights programme and our work on modern slavery and transparency in the supply chain.

Our Human Rights Programme has developed steadily since 2010 and now includes human rights impact assessments, Children's Rights & Business Principles implementation, working towards becoming signatories of the Women's Empowerment Principles as well as quarterly human rights briefings. In addition we continue to work closely with Indira Saxena regarding social issues in India and Sterling Smith of Just Solutions Ltd.

The business is working towards full Global Reporting Initiative (GRI) measuring. GRI is the preferred reporting methodology for UNGC

participants and will allow Marshalls to chart its progress and benchmark against other international organisations. It will also provide even greater transparency regarding the Company's activities.

Marshalls has again retained its Superbrand status for the sixth year running. This is a testament to the dedication and passion of everyone within the business and a feat which we are extremely proud.

In this our seventh Communication on Progress, we share with you the efforts that we have made to uphold the UNGC principles during 2015 and our enduring commitment to these principles as we move forward throughout 2016.

FOCUS FOR 2016

UK Action Plan on Business and Human Rights

During 2015 Marshalls engaged in consultations with UK Government to consider the UNGPs Reporting Framework and the Modern Slavery Bill, as it neared the end of its passage through Parliament. Businesses, civil society and government delegates communicated their priorities and perceptions of progress under the current plan and developed specific ongoing work streams. Engagement for us was important given the introduction of the UK Government Modern Slavery Act 2015 which requires all businesses with a turnover in excess of £36m to provide an annual Statement of Disclosure detailing the steps an organisation has taken during the financial year to ensure that slavery and human trafficking is not taking place in any of its supply chains or in any part of its own business.

Throughout 2016 much attention will be given to ensuring that our Modern Slavery Statement is widely circulated among our employees and stakeholders. We will also be seeking the input and guidance from our range of 'critical friends' including NGO's, IGO's and other knowledgeable third parties regarding our disclosure statement and the related KPI's.

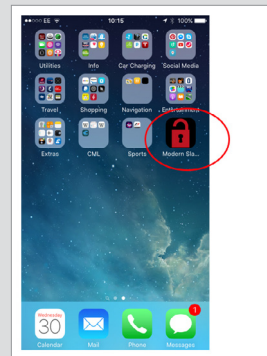


Modern Slavery Act 2015



Modern Slavery Internal Awareness Campaign

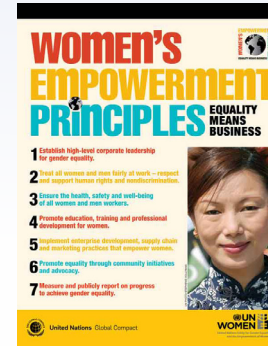
It is important to us that we support the UK Government's Home Office modern slavery initiative and the work of the UK Anti-Slavery Commissioner. In order to do this we need to ensure that everyone throughout our business is clear on what modern slavery is, how to spot the signs and why it is important for our business to be vigilant. Throughout 2016 we will action an Anti-Slavery Internal Awareness Campaign that will include employee training, posters focusing upon slavery in the construction sector, sexual exploitation and how to spot the signs and report instances of concern, a Modern Slavery reporting app on all work phones, internal communications and face-to-face briefings.



Modern Slavery App



FOCUS FOR 2016



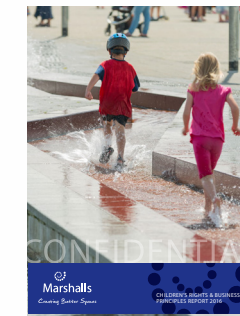
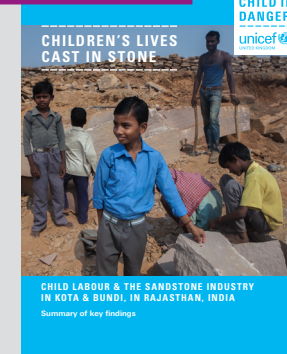
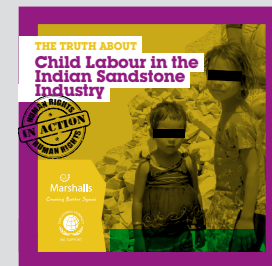
Women's Empowerment Principles

Marshalls is now in a position to begin a full audit against the Women's Empowerment Principles, a collaboration between UNGC and UN Women. It is our aim to complete this work during 2016 with a view to becoming a WEPS signatory. Women have a critical role to play in all of the SDGs, with many targets specifically recognizing women's equality and empowerment as both the objective, and as part of the solution. Goal 5 is known as the stand-alone gender goal because it is dedicated to achieving these ends.



Marshalls Response to UNICEF's Research

Marshalls funded important UNICEF research - Children's Lives Cast in Stone: Child Labour & The Sandstone Industry in Kota & Bundi, in Rajasthan, India - which looked at the issue of child labour in the sandstone sector in India. The findings of the research will help both organisations to continue to use their unique expertise and knowledge of their respective fields as a private sector organisation and the world leading organisation for children to improve the situation for children and their families. Marshalls has developed a clear response to the research findings and you can read more later in the report about what we plan to do throughout 2016.



Children's Rights & Business Principles (CRBP)

During 2015 we conducted our second Children's

Rights & Business Principles report against the CRBP framework. Marshalls undertook our first CRBP audit in 2013 and were one of the first organisations globally to go through this process. The work that we have done as a result of the first audit has deepened our understanding of how we can work in support of children's rights. We remain wholly committed to supporting children's rights and have identified our top 10 priorities for the coming year.

Ilo International Platform On The Elimination Of Child Labour - Child Labour Platform

Early in 2016 Marshalls will commit to the ILO's International Programme on the Elimination of Child Labour (IPEC) Child Labour Platform. This is a natural extension of the work that we have been doing for over ten years and of our partnership with UNICEF which comes to an end in 2016. It will allow us to engage with other global businesses, to share learning's and to further our work regarding the elimination of child labour in the sandstone sector in Rajasthan, India. IPEC engagement is a priority for us following our recent second Children's Rights & Business Principles audit.



International Labour Organization

Marshalls Certificate in Sustainability

Sustainability is fundamental to Marshalls and affects all parts of our business. To help ensure that all employees are knowledgeable and engaged during 2016 we will launch 'Marshalls Certificate in Sustainability' which is certified by Global Compact Local Network UK. This online training programme harnesses core values of leadership, excellence, trust and sustainability to address the UNGC principles - human rights, labour rights, environment & anti-corruption - and also focuses upon responsible global supply chains.

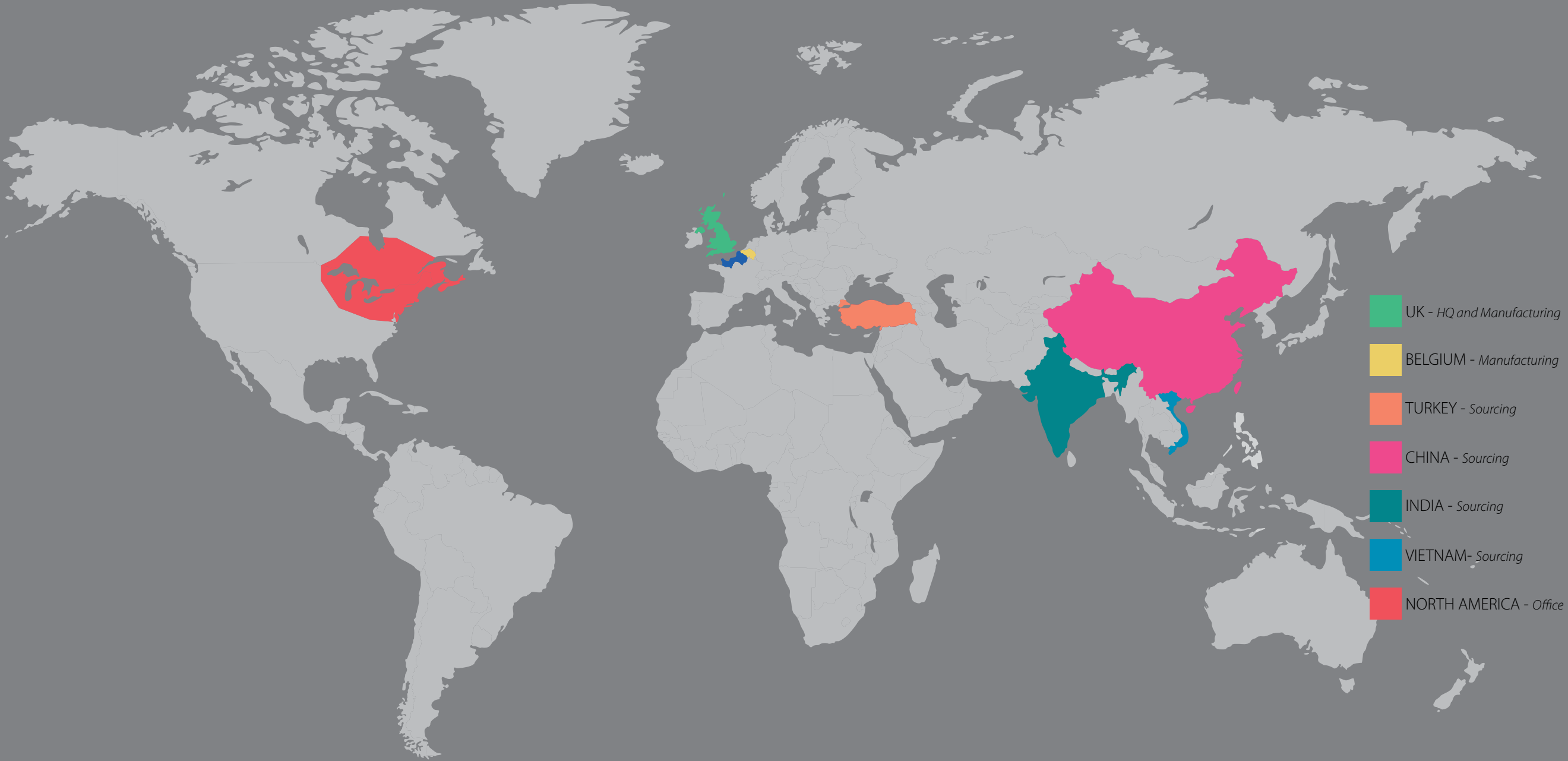


I hope that you enjoy read on and finding out more about how sustainability is helping to build competitive advantage for our business.

Chris Harrop,

Chris Harrop,
Group Marketing Director, Responsible for Sustainability, Marshalls plc

SCOPE OF OPERATIONS



ACHIEVEMENT INDICATORS



Collaborating & Sharing Best Practice

Delivering Best Practice

Achieving Good Results

Reviewing Feedback & Developing

Piloting New Initiatives

Legal Compliance



Throughout this and all other Marshall's Communications on Progress you will find a self assessment indicator which represents what Marshall's believes it is achieving in relation to each of the principles. Marshall's will strive to improve its achievements year-on-year.

Marshall's initially developed its own indicators for its COP reporting rather than use an existing one, such as the Ethos Indicators and Global Reporting Initiative (GRI) methodology. Whilst it is Marshall's intention to introduce GRI methodology in subsequent COP reports, it has left its own indicators in place for this 2015 report.

Each indicator is broken down in percentage terms, which allows any progress made to be identified by all readers of this report with ease. It is also intended to make any year-on-year comparisons clear, uncomplicated and informative.

Marshall's constantly monitors best practice in its sector, as well as in the field of corporate responsibility and sustainability reporting. Any informative developments and advancements in this area will be introduced into subsequent COP reports.



Global Reporting Initiative (GRI)

The GRI is a framework for reporting on an organisation's economic, environmental and social performance.

The goal of sustainable development is to 'meet the needs of the present without compromising the ability of future generations to meet their own needs.' (1)

As key forces in society, organisations of all kinds have an important role to play in achieving this goal.

'The urgency and magnitude of the risks and threats to our collective sustainability, alongside increasing choice and opportunities, will make transparency about economic,

environmental and social impacts a fundamental component in effective stakeholder relations, investment decision, and other market relations. To support this expectation, and to communicate clearly and openly about sustainability, a globally shared framework of concepts, consistent language, and metrics is required. It is the GRI's mission to fulfil this need by providing a trusted and credible framework for sustainability reporting that can be used by organisations of any size, sector or location'. (2)

Key executives, managers and individuals have undergone GRI accredited training and have formed a working party responsible for the delivery of GRI monitoring and reporting moving forward. Marshall's 2015 COP will contain further GRI disclosure regarding economic, environmental, social – labour practices and decent work – human rights, society and product responsibility.

(1) World Commission on Environment and Development. *Our Common Future*. Oxford: Oxford University Press, 1987, p.43

(2) GRI Sustainability Reporting Guidelines, 2011, p.2

THIRD PARTY ASSURANCES

Once this report is submitted to the UNGC and published online, it will be volunteered for peer-review by a randomly selected group of corporate members and observers of the UK Network of the UNGC. Any suggested changes will be made and the report will be re-submitted, if required, to the UNGC following the peer review process.

As indicated in the 2010 COP, Marshall's has sought to extend stakeholder engagement in the COP process by inviting feedback of its COP by inviting employees, customers, suppliers, partners, NGOs, third parties and peers to assess the company's progress.

Marshall's looks forward to receiving comments from its wide range of stakeholders. Details of where to give feedback via a dedicated survey can be found at the end of this report.

Please direct any feedback to Elaine Mitchel-Hill
elaine.mitchel-hill@marshall's.co.uk

The Marshall's Brand Manifesto.

We are all influenced by our environments and the better our environment the better we can be.

Marshall's believe that we all need places that make us feel safer, happier and more sociable. Places to be ourselves, where we can live, play, create and grow. That belief drives us to be the best we can be. To design and produce new products which are better than anything else available. To make them from the best materials we can source and to care about the impact that our company and its products have on our society.

Above all, **our belief fuels the passion on which Marshall's is built.**

To architects, town planners, civil engineers, builders merchants, paving installers and home owners, we pledge a passion to bring to life all that you can imagine. A passion that will enable you to breathe new life into those corners of the landscape where potential lies unfulfilled and unchallenged.

Our passion pervades everything we do. We use our expertise to create integrated landscapes which promote wellbeing to the benefit of everyone. So, whether it's through fairly traded stone, providing products which alleviate flood risks, enabling our business partners to share in our success or creating innovative street furniture that protects us from attack, we proudly strive **to make our world a better place.** One stone, patio, pavement, town square or car park at a time.

 **Marshall's. Imagine Better**



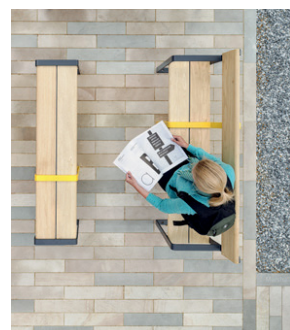
MARSHALLS THE SUPERBRAND



An insight into some of Britain's strongest brands



Marshalls is the UK's leading manufacturer of hard landscaping products and has been supplying superior natural stone and innovative concrete products to the construction, home improvement and landscape markets since the 1890s. Marshalls believes that the better its environment, the better it can be and strive to create products that improve the landscapes and create happier and healthier communities.



Market

In the public sector and commercial end market, Marshalls focuses on developing products that help architects, local authorities and contractors to create better spaces, whether it is street furniture, natural stone paving, block paving, water management or anti-terrorist products.

Marshalls' domestic customers range from DIY enthusiasts to professional landscapers, driveway installers and garden designers. Sales continue to be driven through the Marshalls Register of Accredited Landscapers & Driveway Installers.

Marshalls has an established and growing presence in Northern Europe, North America and China, and will soon be opening an office in the Middle East.

Product

Marshalls places a focus on innovation and quality. It is committed to producing new products that better any existing market offering, to make them from the best materials it can source and to care about the impact on society and the environment.

Marshalls has become synonymous with quality; supplying prestigious landmarks such as Trafalgar Square, whilst also caring for the environment and communities in which it operates.

In 2015, Marshalls extended its commercial water management range with several innovative drainage products, as well as adding a number of products aimed specifically at the rail industry.

For homeowners, Marshalls offers the inspiration and product ranges to create gardens and driveways that integrate effortlessly with people's lifestyles. In 2015, Marshalls launched a range of Vitrified paving, a relatively new material to the UK market, as well as a product called Paveways which speeds up the installation of a patio by up to 50%.



DID YOU KNOW?
Trafalgar Square is paved with Marshalls Yorkstone.



Achievements

Marshalls remains at the forefront of sustainable business. Marshalls was the first company in the hard landscaping industry to belong to the Ethical Trading Initiative (ETI). Marshalls is committed to the implementation of the ETI Base Code, pioneering the ethical sourcing of natural stone paving from India and China.

Building on its work with the ETI, in 2013 Marshalls announced a three-year partnership with UNICEF aimed at tackling child labour in India's quarrying sector and furthering children's rights in China and Vietnam.

Following its acceptance in 2009, Marshalls remains a signatory of the United Nations Global Compact (UNGC) and its Group Marketing Director is Chair of the UNGC UK network.

In addition, The Carbon Trust has reaccredited Marshalls four times. Since 2009, the company has reduced its relative carbon footprint by more than 28 per cent and has made a commitment to reduce its carbon emissions by more than 3 per cent per year until 2020.

Marshalls remains the only organisation in the world to have carbon labelled its entire domestic range. It continues to be a constituent member of the FTSE4Good UK Index and an active member of Business in the Community.

Recent Developments

In October 2015, UNICEF launched the Marshalls-funded research into child labour in the quarrying sector in the northern Indian state of Rajasthan. It is hoped that the findings of this research will lead to long-term interventions that will help to tackle child labour in the stone quarrying industry in India.

Brand Values

Marshalls believes that everyone needs places that make them feel safer, happier and more sociable; places to be themselves where they can live, play, create and grow. Its core brand values are based on leadership, excellence, trust and sustainability.

Marshalls aims to be the supplier of choice for every landscape architect, contractor, installer and consumer, and for the brand to remain synonymous with quality, innovation and superior customer service.

DID YOU KNOW?
Marshalls stone clads the new Bloomberg building in the City of London.

Promotion

Brand communications for both the domestic and commercial markets focus on the company's mission to create better spaces for all.

In 2015, the domestic business ran an advertising campaign called 'Paving to be proud of' to promote its products and the Register of Accredited Landscape Contractors and Driveway Installers to consumers.

The commercial business focused on the promotion of key growth areas of business, such as water management, internal stone paving, rail products and street furniture.

Marshalls has also continued to invest in its online presence with a focus on social media activity through Twitter, Facebook, YouTube and Pinterest.



Marshalls
Creating Better Spaces

Brand History

- 1890** Solomon Marshall starts to quarry in Southowram, Halifax and, in 1904, establishes S. Marshall & Sons Ltd in West Yorkshire.
- 1947** A second production site is opened, manufacturing lintels, steps and fence posts. In 1948 an engineering division is established.
- 1964** Marshalls becomes a plc with shares quoted on the London Stock Exchange.
- 1972** New product development sees the introduction of block paving and the famous 'Beany Block', which combines drain and kerb.
- 1988** Brick manufacturer George Armitage & Sons is acquired, becoming Marshalls Clay Products.
- 2004** Marshalls acquires Woodhouse, expanding its product offering to include designed street furniture, lighting and signage.
- 2009** More than 2,000 of Marshalls' commercial products now have a Carbon Trust Carbon Reduction Label.
- 2011** Marshalls announces a European venture, Marshalls NV.
- 2012** Marshalls is an official supplier to the London 2012 Olympic Park. An office opens in Xiamen, China.
- 2013** Marshalls opens an office in North America and announces a three-year partnership with UNICEF.
- 2014** Marshalls is accredited by the Living Wage Foundation.
- 2015** UNICEF launches Marshalls funded research into child labour in the Indian Sandstone sector.

OVER THE LAST 15 YEARS MARSHALLS HAS SUPPLIED ENOUGH KERB TO CIRCLE AROUND THE WORLD TWICE

PRODUCT INNOVATION: MONO BEANY



The growing demand for more cost effective and less complicated drainage systems has led to modern linear drainage becoming the preferred choice amongst specifiers and contractors like.

Combined kerb and drainage completes two roles in one, intercepting and transporting water in addition to restraining the edges of roads and footways.

With the introduction of Mono Beany to sit alongside Mini Beany and Beany Block, Marshalls now able to offer a complete range of combined kerb and water drainage systems. Marshalls' unique Beany product offer combines the clear-cut advantages of combined kerb and drainage systems, with the benefits of a high quality, robust concrete product.



PRODUCT INNOVATION: MONO BEANY

Discover Mono Beany, the
simple way to control water

By combining a kerb and a drain, it effortlessly fuses strong construction, rapid installation and efficient water management in one....

Engineer

It's tough inside and out, able to cope with strong flows of water and withstand 40 tonnes.

Contractor

The simple design helps you install in record time, finishing on deadline and budget.

Architect

It swiftly clears surface water, while maintaining a smooth flow.



Mono Beany is a one piece low to medium, combined kerb and drainage system. Marshalls' high strength M-Tech concrete is cast around a plastic core. Mono Beany combines strength and aesthetics with excellent hydraulic flow characteristics.

Construction saving, simple to design, easy to set out and straightforward to install.

Versatile range offered in a variety of invert depths in both 45° Splayed and Half Battered profiles.

Accredited and Certified with the BSI Kitemark,
British Standard BS EN:1433 and CE approved.

MONO BEANY. THE ALL-IN-ONE KERB AND DRAINAGE SYSTEM.

THE WATER MANAGEMENT EXPERTS

At Marshalls we're focused on making water management more effective and accessible. Building on the success of Beany and Mini Beany, our best selling linear drainage products, we are launching our latest innovation in combined kerb and drainage.

Mono Beamy is our first one-piece concrete kerb and drainage system. Delivering all your water management needs in one, it's the simple way to control water.

- Made with ultra-tough M-Tech, the latest in concrete technology, it can handle strong flows of water and carry up to 40 tonnes (Class D400).

- Easy to specify, quick to install and built to last. Mono Beany can bring a range of benefits to your next project.
- Its intelligent features deliver rapid surface water clearance and efficient drainage flow.

- The one-piece design is ready for rapid installation, with the potential to lay 1m in a single motion, helping you finish projects faster.

• Made with ultra-tough M-Tech, the latest in concrete technology, it can handle strong flows of water and carry up to 40 tonnes (Class D400).

- Its intelligent features deliver rapid surface water clearance and efficient drainage flow.

COMPLETE CONTROL

With Mono Beany, we have created the ultimate system for low to medium capacity water management. Delivering expert control at this level thanks to a combination of key features.

- The inlet apertures are specially designed and angled at 45° to prevent blockages and maximise drainage efficiency.
 - The new Polyethylene cone coates less resistance than concrete, for a faster flow.
- Together these features ensure surface water is cleared rapidly and internal flow is smooth and efficient.
- 

FLEXIBLE TO FIT YOUR PROJECT

Every job is different, that's why we have made the range as flexible as possible. Select the sizes you need to reduce cutting and waste on site. Choose from half-battered or 45° splayed profiles, for spaces with slow or fast moving traffic. And add accessories to incorporate pedestrian crossings or roundabouts.

Profile	Name	Length (mm)	Weight (g)	Length (mm)	Weight (g)	Notes
Half Banded		8800	100	821	69	DB0601000
		8800	100	821	94S	DB0601001
		8800	100	821	97	DB0601002
40% Spotted		8800	100	820	45.5	DB0601003
		8800	100	821	64	DB0601004
		880	100	821	52	DB0601005
		8800	100	820	86	DB0601006
		8800	100	820	43	DB0601007
		8800	100	821	60	DB0601008
Half Banded	Center Stone S21	8800	100	821	60	DB0601009
	Center Stone S22	8800	100	820	50	DB0601010
	Right Head S21	8800	100	821	59	DB0601011
Right Head S22		8800	100	820	50	DB0601012
		8800	100	821	58	DB0601013
		8800	100	821	58	DB0601014

Outlet and Accessories	Weight (kg)	Netwt
Inline Side outlet	89	0.08m(89)
Half Recessed Access Cover	42	0.04m(42)
80° Recessed Access Cover	42	0.04m(42)
Rolling Box for A21 Systems	25	0.02m(25)

With such a wide variety of sizes, profiles and accessories it's easy to specify Mono Beany for any job.

To learn more about how Mono Beany could fit your next project, visit www.marshalls.co.uk/commercial/water-management or call 0870 241 4725.

PRODUCT INNOVATION: PRIORA PAVING

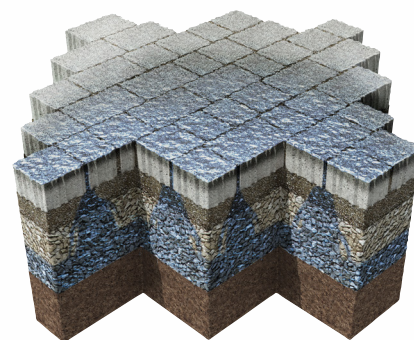
Marshalls understands permeable paving better than anyone else. We have sold enough Priora to cover over 550 football pitches. Every year, enough water flows through these systems to fill over 1,200 Olympic sized swimming pools.



We go further than any other provider to help our customers understand permeable paving too:

- In 2009 we worked with Abertay University to understand how a geotextile might improve water quality.
- In 2012 we worked with Professor John Knapton to rationalise our sub-base designs, saving our customers money.

In 2014 we've taken our knowledge to the next level: devising, developing and carrying out groundbreaking full-scale tests to discover even more about Priora - the best selling permeable paving system in the UK.



"The project is the largest and most ambitious laboratory simulation of its kind in the world, and will set the standard for future water quantity and quality design"

Dr Stephen J Coupe

Our own testing with Abertay University concluded that up to 94% of heavy metals are removed from effluent as it passes through a sub-base, and UK SuDS expert Bob Bray is regularly quoted as saying that permeable paving provides "a controlled flow of clean water".

However, confusion still surrounds water quality in permeable pavements.

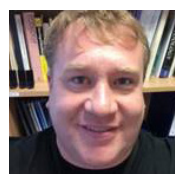
- *How does this cleaning process work?*
- *Now that Marshalls' Priora sub-bases are shallower than the BS, does it make them less effective at removing pollutants?*
- *Can anything be done to maximise the cleansing potential of Marshalls' sub-base designs?*

As water quality becomes increasingly important to meet planning requirements, we have embarked on an ambitious testing programme with Coventry University to understand exactly how our Priora systems improve the water that flows through them.

Work is still ongoing... but what have we learned so far?

- Structural depth has not been shown to be a detectable contributor to water cleansing. Therefore, Marshalls' rationalised sub-base designs are as effective as the deeper (and more expensive) BS designs at cleansing water.

- Both the shallowest and deepest Marshalls Priora designs which include MT120 Filtration Textile produce the cleanest water of all the designs tested.
- Marshalls' MT120 Filtration Textile performs better at cleaning chemical impurities from water than a leading competitor filtration layer.



Dr Stephen J Coupe, BSc (Hons) PhD
Research Fellow in
Environmental Science
and Water Management



Dr Luis Angel Sañudo
Fontaneda, MEng, MSc, PhD
Researcher in Civil
Engineering and Water
Management



PRODUCT INNOVATION: PRIORA - BLOCK INTERLOCK RESEARCH

"It's great to see some real progress in understanding how block paving works, even though it's been on the market for so long."

Professor John Knapton

In 2012, Professor John Knapton calculated that the nibs on a Priora block maximise rotational interlock by up to 40% - a discovery that gave Marshalls the confidence to reduce Priora sub-base depths vs. the BS and ultimately save our customers money.

Two years later, we set out to prove Professor Knapton's desktop analysis, and answer some other questions, in a full-scale test.

- *Do different depths of Priora interlock better than others?*
- *How much effect does the jointing aggregate have?*
- *How does Priora compare to Keyblok?*

With Professor Knapton's support, we have developed a method for measuring rotational interlock. We have created the necessary equipment and honed the technique to a point where we can provide actual comparisons between the performances of different blocks.

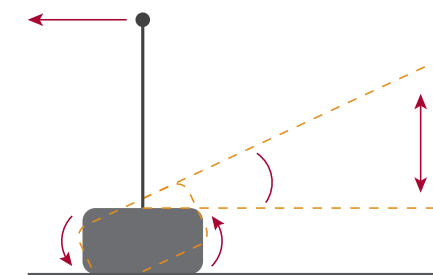
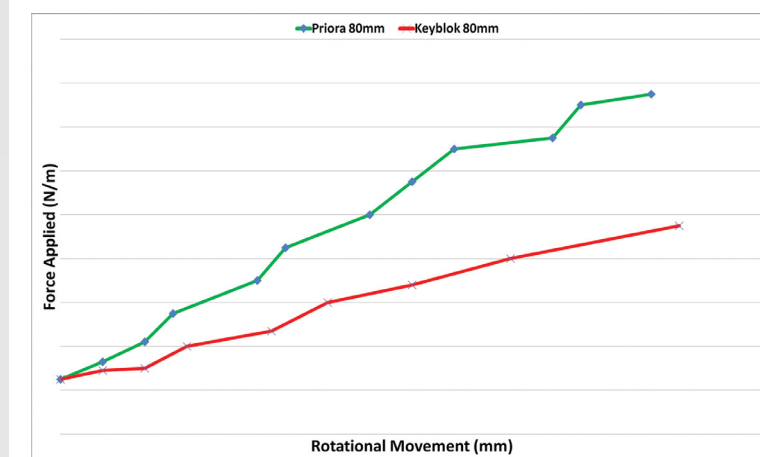


Work is still ongoing... but what have we learned so far?

"In field tests we found that, when correctly installed, Marshalls Priora provided approximately 40% additional rotational interlock. This is an astounding finding." Professor John Knapton, October 2014.

Whether a project needs conventional or permeable pavers, specifying Marshalls Priora will bring long-term benefits in relation to pavement longevity and maintenance requirements - regardless of hydraulic benefits.

This means that we now have evidence that enhanced interlock is an added feature of Marshalls Priora.



PRODUCT INNOVATION: THE MARSHALLS STONE STANDARD

Have complete confidence in the stone you lay...
What is the Marshalls Stone Standard?



Marshalls Indian sandstone is popular in the UK and complements the style of many British homes, however not all sandstone is the same. When you think of stone, you think of it being strong and long-lasting. In reality, there's a wide variety of Indian sandstone products currently available on the

market and this variation causes confusion amongst homeowners as to what constitutes good quality stone. We tested Indian sandstones currently available in the UK and found over 50% failed to meet the British Standard*. This means homeowners may be purchasing stone which could fail during installation, or once installed could cause maintenance issues or costs to repair the damage.

To ensure all the sandstone products Marshalls supplies are fit for purpose, we have carried out tests and have labelled our sandstone products with the 'Stone Standard' trademark. This trademark gives our customers peace of mind when choosing sandstone for their garden patio or driveway. There are three key stone characteristics homeowners should be aware of when choosing sandstone for their garden:



PRODUCT INNOVATION: THE MARSHALLS STONE STANDARD

There are three key stone characteristics you need to be made aware of...

All Marshalls' sandstone supplied will have a low water absorption percentage.

The lower the water absorption, the less chance the stone has of going green due to algae growth.

Sandstones with a high water absorbency may turn green quickly



All Marshalls' sandstone will have a high flexural strength.

This means the stone is stronger and less likely to break or crack under pressure or in transit.

Bed delamination indicates low flexural strength



All Marshalls' sandstone supplied is frost resistant.

If stone loses strength or starts to fall apart when subjected to repeated frosts, then it isn't fit for purpose. Marshalls' sandstone is strong and will cope with harsh winters with minimal maintenance.

Damage caused by frost



Quality sandstone will look good for years to come

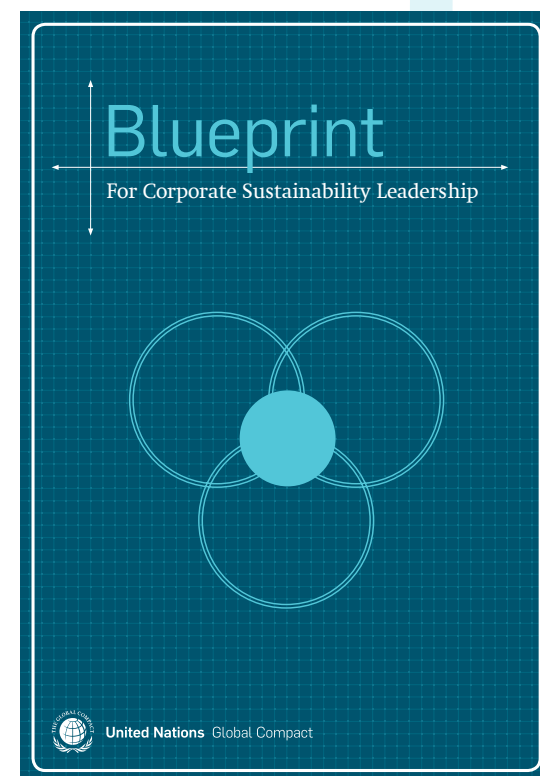
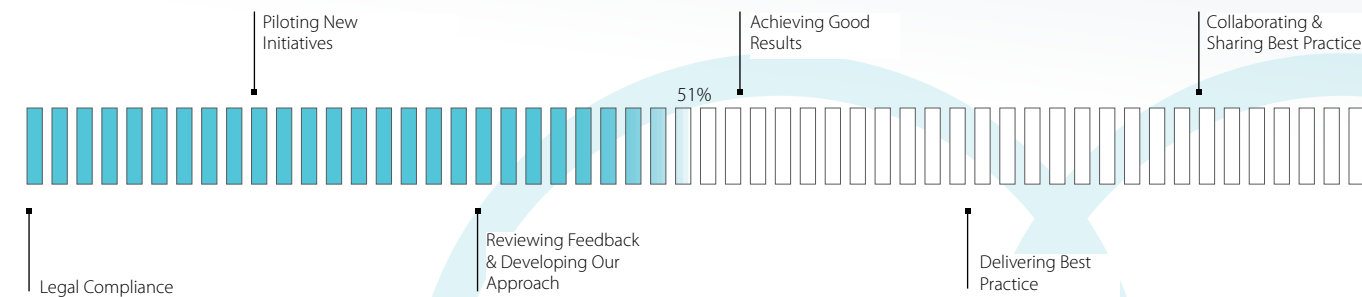


Any natural stone paving that doesn't meet these criteria, will not be fit for purpose and could fail.

Make sure you are fully aware about the products you are laying.

'The Marshalls Stone Standard'

LEADERSHIP BLUEPRINT



Marshall's continues to demonstrate that it is a leader in its field and stated in 2010 that it recognised that Blueprint for Corporate Sustainability Leadership offered a model for achieving even higher levels of performance and generating enhanced value through the UNGC.

The 2010 COP detailed the elements of the Blueprint together with why and how Marshall's has engaged. You can view all of Marshall's' previous COP reports at www.marshall's.co.uk/sustainability/publications

Engaging in the Blueprint process has allowed Marshall's to effectively assess progress with respect to its commitment, strategy, implementation and communications as the organisation ascends the learning performance curve.

The Blueprint has been developed to:

- Challenge and inspire companies to achieve higher levels of sustainability performance within the UNGC; and
- Evolve the UNGC and its engagement opportunities to deliver more value to leading participants.

Marshall's will continue to work towards realising the elements within the Blueprint as identified in the targets for 2015. The organisation remains realistic that this will be a long term commitment.

The UNGC Blueprint for Corporate Sustainability Leadership document can be found at http://www.unglobalcompact.org/docs/news_events/8.1/Blueprint.pdf

UNGC Steering Group Building Strong Links with The Global Construction Industry

Marshall's has announced that it has joined a steering group of UN Global Compact signatory sector representatives from the real estate, development, finance, investment, construction, research and training sectors convened by the UN Global Compact and the Royal Institution of Chartered Surveyors (RICS) that will support a two year project to develop a best practice sustainability tool kit for the land, real estate and construction sector.

The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. By doing so, business, as a primary driver of globalisation, can help ensure that markets, commerce, technology and finance advance in ways that benefit economies and societies everywhere.

The land, real estate and construction sector represents about 70% of global wealth. Its contribution makes up around one-tenth of the total global GDP and represents 7% of overall

employment. Its significant impact within social, environmental, and economic spheres opens to a number of risks and sustainability challenges.

The project has three key objectives:

1. To identify key challenges and opportunities for the land, real estate and construction sector relating to the Global Compact's issue areas and United Nations' goals;
2. To actively engage UN Global Compact participants from the land, real estate and construction sector as well as associated users and stakeholders to capture and scale up existing best practice efforts and initiatives in applying and implementing the Ten Principles of the UN Global Compact;
3. To develop a sector specific best practice tool kit for companies operating in these areas to help them tackle these issues and harness significant sustainability opportunities.

Chris Harrop, Marshall's' Group Marketing Director and Chair of the UK's UNGC Network, said: "Hard landscaping plays a vital role in the built environment. Marshall's is known across the globe for its leading position in sustainability and see this initiative as a key driver for change and improvement. We are joining a group of exceptionally influential and prestigious businesses and by working together I believe that we can make a real difference."

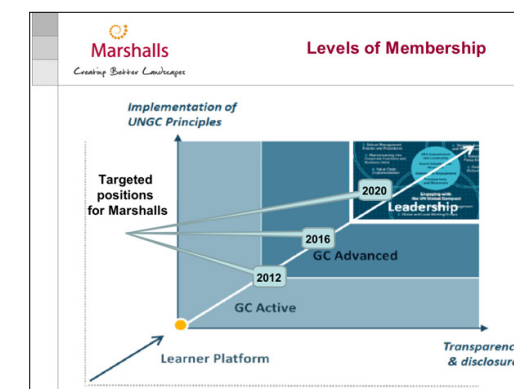
Founded in the 1890's Marshall's, the UK's leading supplier of hard landscaping materials, has been a signatory to the UN Global Compact since 2009. Marshall's believes in conducting its business in a manner which achieves sustainable growth whilst incorporating and demonstrating a high degree of social responsibility.



Moving forward, Marshall's will work towards realising elements within the Blueprint as identified in the targets for 2016.

In order that readers have a full understanding of this commitment, we have reproduced on the following pages the Corporate Action Plan from within the UNGC Blueprint for Corporate Sustainability Leadership (to be found overleaf on pages 32 and 33).

Key Dimensions and Components of Leadership – taken from the UNGC Blueprint document.



Marshall's' target position to 2020 and beyond demonstrates the long term nature of its commitment.

REALISING THE BLUEPRINT: CORPORATE ACTION PLAN

Implementing the Ten Principles into Strategies and Operations

Full Coverage and Integration Across Principles

- Implement all ten UN Global Compact principles into strategies and operations.
- Design corporate sustainability strategy to leverage synergies between and among issue areas and to deal adequately with trade-offs.
- Ensure that different corporate functions coordinate closely to maximise performance and avoid unintended negative impacts.

Robust Management Policies and Procedures

- Assess risks and opportunities on an ongoing basis at both enterprise and product level and undertake due diligence to ensure that the company identifies any negative impacts caused by its operations and activities.
- Develop strategies and policies specific to the company's operating context – as well as scenarios for the future – and establish measurable short, medium, and long term goals.

- Engage and educate employees through training activities, the development and adjustment of business processes, and sound incentive schemes.

- Implement a system to track and measure performance based on standardised performance metrics.

Mainstreaming into Corporate Functions and Business Units

- Place responsibility for execution of sustainability strategy in relevant corporate functions (procurement, government affairs, human resources, legal, etc.) and ensure that no function is operating in conflict with sustainability commitments and objectives of the company.

- Align strategies, goals and incentive structures of all business units and subsidiaries with corporate sustainability strategy.

- Assign responsibility for corporate sustainability implementation to an individual or group within each business unit and subsidiary.

Value Chain Implementation

- Analyse each segment of the value chain carefully, both upstream and downstream, when mapping risks, opportunities and impacts.

- Communicate policies and expectations to suppliers and other relevant business partners.

- Implement monitoring and assurance mechanisms within the company's sphere of influence.

- Undertake awareness-raising, training and other types of capability building with suppliers and other business partners.

Taking Action in Support of Broader UN Goals and Issues

Core Business Contributions to UN Goals and Issues

- Align core business strategy with one or more relevant UN goals/issues*.

- Develop relevant products and services or design business models that contribute to UN goals/issues.

- Adopt and modify operating procedures to maximise contribution to UN goals/issues.

Strategic Social Investments and Philanthropy

- Pursue social investments and philanthropic contributions that tie in with the core competences or operating context

of the company as an integrated part of its sustainability strategy.

- Coordinate efforts with other organisations and initiatives to amplify – and not negate or unnecessarily duplicate – the efforts of other contributors.

- Take responsibility for the intentional and unintentional effects of funding and have due regard for local customs, traditions, religions, and priorities of pertinent individuals and groups.

Advocacy and Public Policy Engagement

- Publicly advocate the importance of action in relation to one or more UN goals/issues.

- Commit company leaders to participate in key summits, conferences, and other important public policy interactions in relation to one or more UN goals/issues.

Partnerships and Collective Action

- Develop and implement partnership projects with public or private organisations (UN entities, government, NGOs, or other groups) on core business, social investments and/or advocacy.

- Join industry peers, UN entities and/or other stakeholders in initiatives that contribute to solving common challenges and dilemmas at the global and/or local levels with an emphasis on initiatives that extend the company's positive impact on its value chain.

Engaging with the UN Global Compact

Local Networks and Subsidiary Engagement

- Contribute to the building and operating of at least one UN Global Compact Local Network and help elevate performance of other companies through training, mentoring, COP peer review, etc.

- Encourage subsidiaries to engage with UN Global Compact Local Networks and to participate actively in events and activities.

- Publish sustainability information related to each individual subsidiary separately or reference it explicitly in the Communication on Progress of Corporate Headquarters.

Global and Local Working Groups

- Participate in relevant global or local working groups and share experiences, networks, tools and good practices with other UN Global Compact participants.

- Take active part in defining scope and objectives of new working groups when relevant.

Issue-Based and Sector Initiatives

- Join and help advance one or more existing UN Global Compact initiatives, e.g. Caring for Climate, CEO Water Mandate, Women's Empowerment Principles, and Global Business Initiative on Human Rights.

- Spearhead need-driven development of new issue-based or sector initiatives within the UN Global Compact and the wider United Nations.

Promotion and Support of the UN Global Compact

- Advocate the UN Global Compact to business partners, peers and the general public.

- Encourage suppliers and other business partners to join the UN Global Compact, and take on mentoring role on issues related to the initiative.

- Participate in activities to further develop and strengthen the UN Global Compact.

The Cross-Cutting Components

CEO Commitment and Leadership

- CEO publicly delivers explicit statements and demonstrates personal leadership on sustainability and commitment to the UN Global Compact.

- CEO promotes initiatives to enhance sustainability of the company's sector and leads development of industry standards.

- CEO leads executive management team in development of corporate sustainability strategy, defining goals and overseeing implementation.

- Make sustainability criteria and UN Global Compact principles part of goals and incentive schemes for CEO and executive management team.

Board Adoption and Oversight

- Board of Directors (or equivalent**) assumes responsibility and oversight for long term corporate sustainability strategy and performance.

- Board establishes, where permissible, a committee or assigns an individual Board member with responsibility for corporate sustainability.

- Board (or committee), where permissible, approves formal reporting on corporate sustainability (Communication on Progress).

Stakeholder Engagement

- Publicly recognise responsibility for the company's impacts on internal and external stakeholders.

- Define sustainability strategies, goals and policies in consultation with key stakeholders.

- Consult stakeholders in dealing with implementation dilemmas and challenges

and invite them to take active part in reviewing performance.

- Establish channels to engage with employees and other stakeholders to hear their ideas and address their concerns, and protect 'whistle-blowers'.

Transparency and Disclosure

- Share sustainability information with all interested parties and respond to stakeholder inquiries and concerns.

- Ensure that Communication on Progress covers all aspects of the Leadership Blueprint and utilise, where appropriate, the Global Reporting Initiative framework.

- Integrate Communication on Progress into annual financial report or publish them together.

- Secure external verification of Communication on Progress or seek other methods for legitimisation by external stakeholders.

** For companies without a formal Board, other governance or ownership body assumes these responsibilities

NOTE: Reproduced from the UNGC Blueprint document http://www.unglobalcompact.org/docs/news_events/8.1/Blueprint.pdf

LEADERSHIP BLUEPRINT: TARGETS 2016



ACHIEVEMENTS 2015

Core Business Contribution to UN Goals and Issues:
Aligning core business strategy with one or more relevant UN goals/issues.
Developing relevant products and services that contribute to UN goals/issues.
Modifying operational procedures to maximise contributions to UN goals/issues.

✓

Strategic Social Investments & Philanthropy:
Pursuing social investments and philanthropic contributions that tie in with the core competencies or operating context of the company as an integrated part of its sustainability strategy.
Taking responsibility for the intentional and unintentional effects of funding and having due regard for local customs, traditions, religions, and priorities of pertinent individuals and groups.

✓

Advocacy and Public Policy Engagement:
Publically advocating the importance of action in relation to one or more UN goals/issues.
Committing company leaders to participate in key summits, conferences, and other important public policy interactions in relation to one or more UN goals/issues.

✓

Partnerships and Collective Action:
Developing and implementing partnership projects with public or private sector organisations on core business, social investments and/or advocacy.
Joining industry peers, UN entities and/or other stakeholders in initiatives that contribute to solving common challenges and dilemmas at the global and/or local levels with emphasis on initiatives that extend the company's positive impact on its value chain.

✓

Local Networks & Subsidiary Engagement:
Active participation in events and activities.
Encouraging subsidiary to engage with UN Global Compact Local Networks and to participate actively in events and initiatives.
Actively participating in events and activities.

✓

TARGETS 2016

Core Business Contribution to UN Goals and Issues:
Continue to align core business strategy with one or more relevant UN goals/issues.
Continue to develop relevant products and services that contribute to UN goals/issues.
Continue to adopt and modify operational procedures to maximise contributions to UN Golas/ issues.

Strategic Social Investments & Philanthropy:
Continue to pursue social investments and philanthropic contributions that tie in with the core competencies or operating context of the company as an integrated part of its sustainability strategy.
Continue to take responsibility for the intentional and unintentional effect for funding and having due regard for local customs, traditions, religions and priorities of pertinent individuals or groups.
Co-ordinate efforts with other organisations and initiatives to amplify – and not negate or unnecessarily duplicate – the efforts of other contributors.

Advocacy and Public Policy Engagement:
Continue to publicly advocate the importance of action in relation to one or more of the UN goals/issues.
Continue to commit company leaders to participate in key summits, conferences, and other important public policy interactions in relation to one or more UN goals/issues.

Partnerships and Collective Action:
Continue to develop and implement partnership projects with public or private sector organisation on core business, social investments and/ or advocacy.
Continue to join with industry peers, UN entities and/or the stakeholders in initiatives that contribute to solving common challenges and dilemmas at the global and/or local levels with emphasis on initiatives that extend the company's positive impact on its value chain.

Local Networks & Subsidiary Engagement:
Continue to actively participation in events and activities.
Continue to encourage subsidiary to engage with UNGC Local Networks and to participate actively in events and initiatives.
Continue to contribute to the building and operating of at least one local network and help elevate performance of other companies through training, mentoring, COP peer review, etc.

LEADERSHIP BLUEPRINT: TARGETS 2016



ACHIEVEMENTS 2015

Global & Local Working Groups:
Participating in relevant global or local working groups and sharing experiences, networks, tools and good practice with other UNGC participants.
Taking active part in defining scope and objectives of new working groups when relevant.

✓

Issues-Based and Sector Initiatives:
Joining and helping advance one or more existing UNGC initiative; e.g. Caring for Climate, CEO Water Mandate, Women's Empowerment Principles, and Global Business Initiatives on Human Rights.

✓

Promotion and Support of the UNGC:
Advocating the UNGC to business partners, peers and the general public.
Encouraging suppliers and other business partners to join the UNGC, and take on mentoring role on issues related to the initiative.
Participating in activities to further develop and strengthen the UNGC.

✓

Stakeholder Engagement:
Establishing channels to engage with employees and other stakeholders to hear their ideas and address their concerns, and protect whistle blowing.

✓

Transparency and Disclosure:
Sharing sustainability information with all interested parties and responding to stakeholder enquiries and concerns.
Ensuring that COP covers all aspects of the Leadership Blueprint and utilising, where appropriate, the Global Reporting Initiative framework.
Integrating the COP within the financial report or publish them together after consultation with stakeholders.

✓

CEO Commitment and Leadership:
CEO publicly delivering explicit statements and demonstrating personal leadership on sustainability and commitment to the UNGC.

✓

Board Adoptions and Oversight:
Board of Directors to approve formal reporting on corporate sustainability.
Board establishes, where permissible, a committee or assigns an individual Board member with responsibility for corporate sustainability.
Board (or committee), where permissible, approves formal reporting on corporate sustainability (Communication on Progress).

✓

TARGETS 2016

Global & Local Working Groups:
Continue to participate in relevant global or local working groups and share experiences, networks, tools and good practice with other UNGC participants.
Continue to take active part in defining scope and objectives of new working groups when relevant.

Issues-Based and Sector Initiatives:
Continue to advance Children's Rights & Business Principles, Women's Empowerment Principles Initiatives.

Promotion and Support of the UNGC:
Continue to advocate the UNGC to business partners, peers and the general public.
Continue to encourage suppliers and other business partners to join the UNGC, and take on mentoring role on issues related to the initiative.
Continue to participate in activities to further develop and strengthen the UNGC.

Stakeholder Engagement:
Continue to establish channels to engage with employees and other stakeholders to hear their ideas and address their concerns, and protect whistle blowing.

Transparency and Disclosure:
Continue to integrate the COP within the financial report or publish them together.
Develop more transparent reporting and monitoring procedures.

CEO Commitment and Leadership:
Continue to publicly deliver explicit statements and demonstrate personal leadership on sustainability and commitment to the UNGC.

Board Adoptions and Oversight:
Board of Directors (or equivalent) assumes responsibility and oversight for long term corporate sustainability strategy and performance.
Continue with this approach.

SUSTAINABLE DEVELOPMENT GOALS AND HOW MARSHALLS IS CONTRIBUTING

On 1 January 2016, the 17 Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development — adopted by world leaders in September 2015 at an historic UN Summit — officially came into force. Over the next fifteen years, with these new Goals that universally apply to all countries will mobilize efforts to end all forms of poverty, fight inequalities and tackle climate change, while ensuring that no one is left behind.

The SDGs build on the success of the Millennium Development Goals (MDGs) and aim to go further to end all forms of poverty. The new Goals are unique in that they call for action by all countries, poor, rich and middle-

income to promote prosperity while protecting the planet. They recognize that ending poverty must go hand-in-hand with strategies that build economic growth and addresses a range of social needs including education, health, social protection, and job opportunities, while tackling climate change and environmental protection.

While the SDGs are not legally binding, governments are expected to take ownership and establish national frameworks for the achievement of the 17 Goals. Countries have the primary responsibility for follow-up and review of the progress made in implementing the Goals, which will require quality, accessible

and timely data collection. Regional follow-up and review will be based on national-level analyses and contribute to follow-up and review at the global level

The 17 Sustainable Development Goals with 169 targets are broader in scope and go further than the MDGs by addressing the root causes of poverty and the universal need for development that works for all people. The goals cover the three dimensions of sustainable development: economic growth, social inclusion and environmental protection.

Throughout 2016 Marshalls will map out how it is already contributing to the SDG's and where it can seek to do more.



BUILDING THE POST-2015 BUSINESS ENGAGEMENT ARCHITECTURE

The Post-2015 Business Engagement Architecture illustrates the main building blocks necessary to enhance corporate sustainability as an effective contribution to sustainable development, creating value for both business and society.

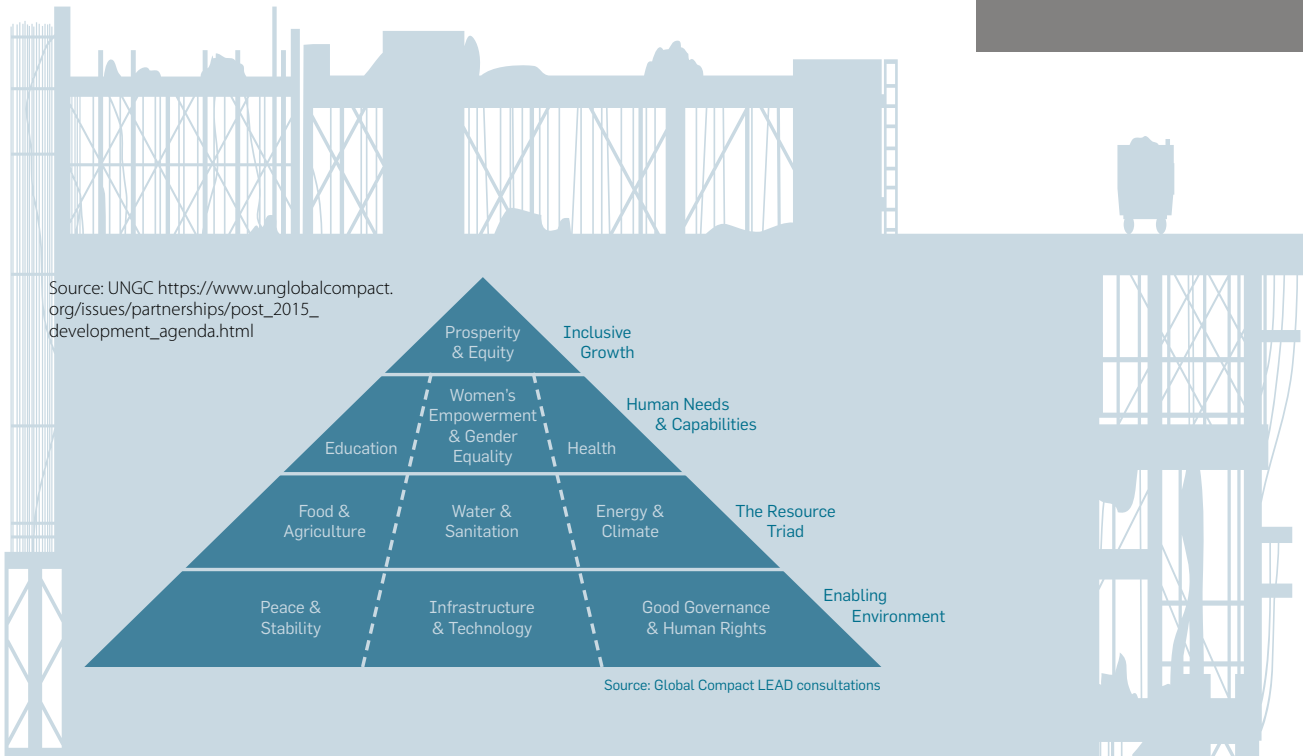
Each of these building blocks must be further strengthened and connected through a comprehensive and collective effort if they are to help take corporate sustainability to scale and turn business into a truly transformative force in the Post-2015 era.

In 2015, to enhance the activity of sustainable business toward this agenda, the Global Compact will further articulate the building blocks of the Architecture, placing a special emphasis on issue platforms, Local Networks and aligning business strategies with the SDGs.

To support this alignment, the Global Compact, the Global Reporting Initiative (GRI), and the World Business Council for Sustainable Development (WBCSD) have joined forces to develop methodologies for companies. The toolkit will offer approaches to aligning business strategies with the SDGs, assessing impact, setting forward-looking goals and communicating results in a credible manner. The toolkit is being developed in parallel to intergovernmental discussions with a view to develop guidance consistent with the future SDGs and associated targets.

Global Platforms & Partnerships: How Marshalls is Contributing to SDG Implementation

By being a UNGC signatory Marshalls is already contributing to the implementation of the SDGs. The UN Global Compact together with UN partners hosts a number of global issue platforms many of which Marshalls is involved in; the CEO Water Mandate, the Women's Empowerment Principles, Children's Rights & Business Principles and Business for Peace.



FAIRSTONE®

Marshalls Fairstone® is an ethically sourced range of Natural Stone that has been quarried and produced in line with a clear set of ethical values and commitments.



Fairstone® INDIA Defined

Marshalls knows where its quarried stone comes from. It knows how it is manufactured and that it has been produced in accordance with a clear and unequivocal set of ethical values and commitments. Specifically in the India supply chain:

- ✓ No child labour is used
- ✓ Indian workers receive living wages
- ✓ Health & safety practices are in place

Marshalls employs a full time, field-based, Social Auditor in India who works with quarry owners and workers on a daily basis to ensure the ongoing implementation of the Ethical Trading Initiative Base Code and to monitor progress. Daily contact, weekly reporting, annual third party auditing and regular quarry inspections by Company employees allow Marshalls to ensure that Fairstone commitments are upheld.

Marshalls is committed to working in partnership with its sole supplier Stone Shippers India to achieve continuous improvement in supply chain conditions and to help deliver tangible benefits to all workers involved in stone production, their families and the wider community.

Since early 2007, and following community consultation, Marshalls has worked with local NGO Hadoti Hast Shilp Sansthan in partnership to:

- Develop and fund 6 Free Schools giving the children of migrant workers and local workers an education that they would not otherwise have had.
- Develop 6 free Health Centres and deliver monthly community health camps in the heart of the quarrying area in Bundhi. These services offer consultation, treatment, free medicines and referral pathways all of which would not otherwise be available.

Fairstone® CHINA Defined

Marshalls knows where its quarried stone comes from. It knows how it is manufactured and that it has been produced in accordance with a clear and unequivocal set of ethical values and commitments:

Specifically in the Chinese supply chain:

- ✓ Chinese workers receive living wages for a normal working period
- ✓ Working hours are not forced economically or physically
- ✓ Health & Safety practices are in place

Through its local office in Xiamen, Marshalls' employees regularly visit quarries and factories to work alongside workers and managers to ensure that these three commitments are implemented. In addition, a dedicated member of Marshalls' Chinese team takes the lead on all ethical supply chain matters. Quality Controllers also play a critical role in improving worker conditions.

Marshalls is committed to working in partnership with its suppliers in China to achieve continuous improvement in supply chain conditions and to help deliver tangible benefits to all workers involved in stone production, their families and the wider community.

- Marshalls ensures that every quarry and factory in its supply chain has an appropriate first aid kit.

- Marshalls has also specifically funded the training of a nominated worker at each quarry and production facility in first aid practices.

- Marshalls funds regular cultural community events for workers, their families and the wider community.

Fairstone® VIETNAM Defined

Marshalls Fairstone® is an ethically sourced range of Natural Stone.

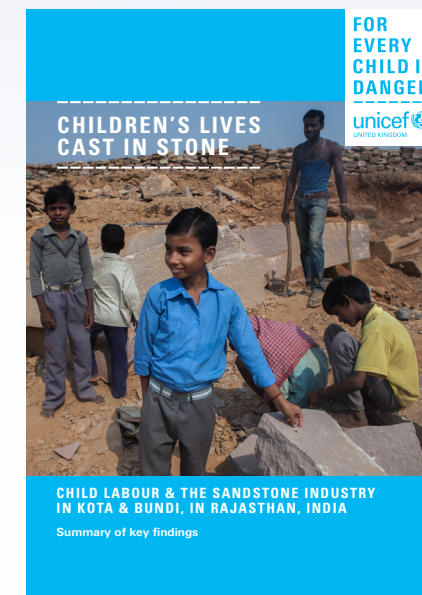
Fairstone® means that Marshalls knows where its quarried Vietnamese stone comes from, how it is manufactured and that it has been produced in accordance with a clear and unequivocal set of ethical values and commitments based on the ETI Base Code and UNGC Principles:

- ✓ Bonded labour is not used, i.e. prison labour
- ✓ Living wages are paid for a normal working period
- ✓ Working hours are not forced economically or physically
- ✓ No child labour is used
- ✓ Health & safety practices are in place

The Fairstone® Manager takes the lead on all ethical supply chain matters and the co-ordination of the in-field Quality Controllers who play a critical role in monitoring and improving worker conditions.

Marshalls works with a small number of suppliers in Vietnam and is committed to building relationships which promote shared learning, best practice and the continuous improvement of conditions throughout the supply chain for workers.

Marshalls has ensured that every quarry and production facility in its supply chain has an appropriate first aid kit and has specifically funded the training of a nominated worker in first aid practices.



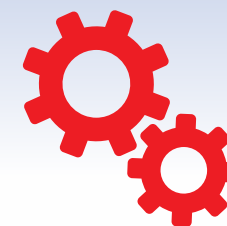
Marshalls & UNICEF Working to Improve the Situation for Children and their Families

Marshalls was the first to identify the issue of child labour in the Kota region of Rajasthan and to bring this to the attention of the sector back in 2005. Since then we have worked hard to take practical steps to ensure that we do not have child labour in our own supply chain. Our engagement with UNICEF in 2012 on the pilot Children's Rights and Business Principles programme deepened our understanding of children's rights and led to our partnership with UNICEF UK in January 2014.

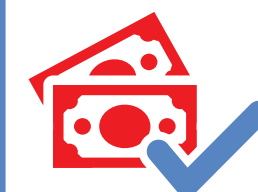
The recent UNICEF research, funded by Marshalls, has confirmed, as we expected, the presence of child labour in the sector and UNICEF has provided a clear set of recommendations which address government systems and practices; building a responsible and transparent industry; & facilitating and sustaining individual change behaviour. The partnership will come to an end in 2016 and it was always the case that the findings and subsequent recommendations from the

UNICEF research would define the ongoing programme of work in support of children's rights. Armed with the full facts we have discussed with UNICEF how we can both best work, utilising our unique strengths as a private sector organisation and an IGO, to improve the situation for children and their families. Whilst we will continue to collaborate closely with the UNICEF our focus will be upon working with ILO-IPEC to facilitate change on the ground within the sector. It is wholly appropriate that UNICEF continues to work with the government in India to bring about the developments required to create the right conditions for child protection in the quarrying region. We have a clear understanding of how we will work in support of children's rights and will continue to fund appropriate activity which makes the implementation of 'Marshall's Elimination of Child Labour Protocol' a reality not only in our own supply chain but throughout the sector.

MARSHALLS RESPONSE TO UNICE'S RESEARCH FINDINGS



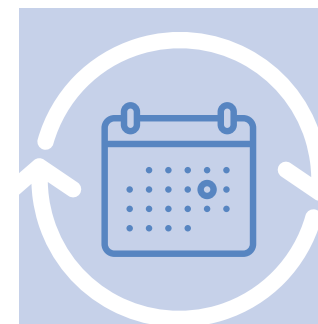
Develop and embed 'Marshall's Protocol Regarding the Elimination of Child Labour' which is effectively a Standard Operating Procedure for the organisation which sets out measures to ensure a child labour free supply chain, and also what should be done if an instance of child labour is identified.



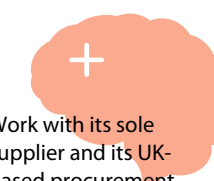
Work to establish a Living Wage Benchmark



Develop and embed its human rights training programme, including children's rights, throughout its supply chain.



Continue to implement the ETI Base Code on a daily basis



Work with its sole supplier and its UK-based procurement team in order to ensure a high level of human rights knowledge and to ensure that an increase in demand to not have negative effects on workers.

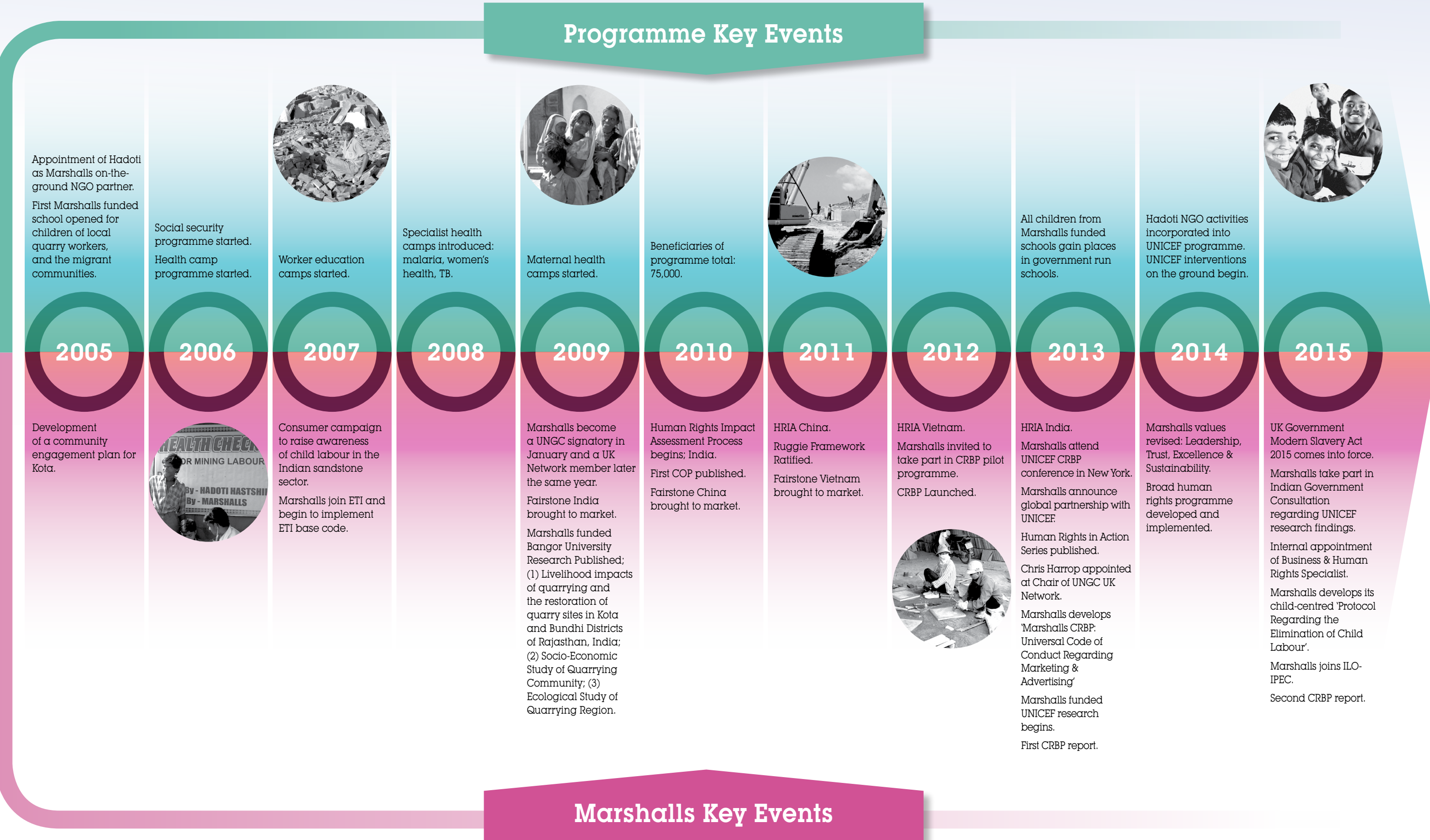


Marshall's will continue to undertake human rights due diligence, including an explicit focus on the rights of children, using the Children's Rights & Business Principles as a framework.



Ensure a human rights lens in Due diligence process.

PROGRAMME TIMELINE & KEY EVENTS



FAIRSTONE®



UNICEF/MARSHALLS PARTNERSHIP
 Interventions on the Ground
 Already Making a Positive Impact

Helping to ensure that the District is able to implement **special training** to ensure that children are prepared for mainstream schooling.

Developing a health referral system for children and their families.

REACHING 10,000 children and around 50,000 members of the quarrying population in 50 villages - raising awareness of the harms of child labour and the advantages of school education.

EDUCATING KEY STAKEHOLDERS - teachers, community leaders, young people about child protection, education and the rights of children.

Working with the local school management committees in 50 villages to improve the enrolment and retention of children from the quarrying community.

WORKING WITH 50 SCHOOLS to develop and deliver child friendly schools. *

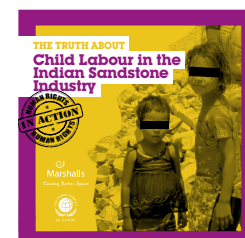
SENSITISING DISTRICT and local officials on the issues which children in the quarrying region face.

STRENGTHENING 20 CHILD protection committees to ensure the protection of children in the quarrying region.

Helping to ensure that Kota District has a clear plan for child protection; including **PROTECTIVE MEASURES** for children among the quarrying community.

Identifying **vulnerable families and children** in the 50 villages and linking them to **SOCIAL PROTECTION SCHEMES.**

Marshalls
 Creating Better Spaces
 unicef



A Clear Commitment to Support Children's Rights

Building on our commitment to support children's rights towards the end of 2015 we published a further booklet in our Human Rights in Action series, "The Truth About Child Labour in the Indian Sandstone Sector".

Chris Harrop, Marshalls Group Marketing Director & Director of Sustainability, said,

"It is a confirmed fact that there is child labour in the Indian sandstone sector, despite constant denials from various quarters within the industry. Newly published UNICEF research, 'Forgotten Children: The Sandstone Industry in Kota & Bundi, Rajasthan', (2) confirms that in the Kota & Bundi regions 38% of children are engaged in child labour".

"The business case for improving children's rights is an easy choice for us. Our sustainability model puts children and families at the heart of what we do."

Our deeply embedded values of leadership, excellence, trust & sustainability ensure that we are empowered to make the right choices day-by-day. We take very seriously the moral responsibility which lies with us as a business to do the right thing. As signatories of the UNGC the UN Guiding Principles exemplify what our brand stands for where human rights are concerned. All of these factors combine to allow us to lever sustainability for competitive advantage and create a robust business case for supporting children's rights wherever we work around the globe."

"By driving down adult wages and depriving children of education, child labour results in poverty passing down from generation to generation and depressed the economy. The resulting vicious cycle of poverty keeps these children and their families trapped within what can only be described as an enclave with no opportunity of seeking a better life."

Elaine Mitchel-Hill, Marshalls Business & Human Rights Specialist

What began over 10 years ago as a goal to ensure the absence of child labour in our own supply chain and to eradicate child labour in the wider stone sector in India, has led to a deepening understanding of the wider issue of children's rights. Our partnership with UNICEF has given us greater knowledge and our extensive engagement programme means we are now seeking to support long-term meaningful systemic change for children.

THE TRUTH ABOUT CHILD LABOUR IN THE INDIAN SANDSTONE INDUSTRY

Marshalls
 Creating Better Spaces

Fair stone
 by Marshalls

1. FACT
CHILD LABOUR DOES EXIST IN THE INDIAN SANDSTONE SECTOR
AN ESTIMATED 200,000
 children are employed in the sandstone industry in India which is classified as hazardous and one of the worst forms of child labour.

2. FACT
CHILD LABOUR IS A GROSS INFRINGEMENT OF CHILDREN'S RIGHTS
CHILDREN AS YOUNG AS 6 and 7 ARE WORKING AS CHILD LABOURERS
 Working as a child labourer and trapped in a cycle of poverty affects almost all of a child's human rights.

3. FACT
CHILD LABOUR TRAPS CHILDREN INTO A LIFELONG CYCLE OF POVERTY
ALCOHOL & DRUGS
ARE OFTEN USED TO EASE THE PHYSICAL PAIN OF DOING SUCH GRUELLING WORK
 Alcoholism, drug abuse and associated problems of prostitution, HIV/AIDS and sexual violence all compound the situation and perpetuate the poverty cycle.

4. FACT
ACTIVITY IN THE STONE SECTOR TO HIDE & DENY CHILD LABOUR
SHROUDED IN SECRECY
 WITH NON-TRANSPARENT OPERATIONS AND PROCESSES
 Ethical standards and reports on child labour have increased awareness among quarry owners, processors and exporters. It has also had the unfortunate consequence of reducing transparency and led to greater secrecy in the industry.

5. FACT
THE PHYSICAL IMPACT UPON CHILDREN WORKING IN THE SANDSTONE INDUSTRY IS IMMENSE
90% OF CHILDREN Exposed to dust, fumes, fire and gas at work
69% OF CHILDREN Exposed to loud noise, vibration and extreme temperatures at work
 Children reported health problems including fever, extreme fatigue, superficial injuries or open wounds, body/back ache, burns, corrosions, scalds or frostbite, & stomach problems such as diarrhoea.

6. FACT
CHILDREN WORK TO SUPPORT THEMSELVES, THEIR FAMILIES AND TO PAY OFF FAMILY DEBTS
 The average working hours of children labourers is between **6-7 HOURS A DAY**
 75 per cent of children said they worked to supplement family income.

7. FACT
AVERAGE INCOME OF A CHILD LABOURER IN KOTA AND BUNDI
£35 A MONTH AVERAGE INCOME
 The majority of children confirmed that they received payment for their work, some said that payment for their work was given to parents or that they did not get any payment at all.

8. FACT
CHILD LABOUR UNDERMINES LABOUR STANDARDS & HOLDS THE INDUSTRY BACK
DRAWN TO WORK BY DEPRIVATION...
 ...and hope of earning money for a living, children are sacrificing their childhood and are ill-equipped to prepare for the future.
 "By driving down adult wages and depriving children of education, child labour results in poverty passing down from generation to generation and depressing the economy." ILO

BE PART OF THE SOLUTION WITH FAIRSTONE.

All facts and figures in the leaflet are taken from the UNICEF UK 'Children's Lives Cast in Stone: The Sandstone Industry in Kota & Bundi, Rajasthan, India' (September 2015). This important research was commissioned by UNICEF UK and funded by Marshalls plc as part of its strategic partnership with UNICEF which aims to eliminate child labour in the sandstone sector in Rajasthan. To access the report please go to the publications section at www.marshalls.co.uk/sustainability/publications.

FOCUS ON MODERN SLAVERY; TRANSPARENCY IN THE SUPPLY CHAIN

Modern slavery encompasses slavery, human trafficking, forced labour and domestic servitude. It is an international crime involving a number of source and transit countries. Wherever we operate around the world Marshalls 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. We're also committed to protecting and promoting human rights globally. We've clearly demonstrated this over the long term and have a well developed human rights programme which includes human rights

impact assessments, children's rights & business principles audits, and this year we be completing our first audit against the Women's Empowerment Principles. It was a natural evolution for us to engage with the UK Government via its consultation process and the working group regarding the issues of modern slavery during 2015.

Marshalls will publish its first Modern Slavery & Human Trafficking Disclosure Statement within the coming months and will be among the first to do so.



Modern Slavery Act
2015

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

Modern Slavery/ Transparency in the Supply Chain (TISC) and the application of the law in the UK & overseas.

"A commercial organisation within subsection (2) must prepare a slavery and human trafficking statement for each financial year of the organisation."

"A slavery and human trafficking statement for a financial year is – (a) a statement of the steps the organisation has taken during the financial year to ensure that slavery and human trafficking are not taking place – (i) in any of its supply chains, and – (ii) in any part of its own business."

8 DECENT WORK AND ECONOMIC GROWTH



FOCUS ON MODERN SLAVERY; TRANSPARENCY IN THE SUPPLY CHAIN

21 MILLION PEOPLE

21 million people are victims of Forced labour – 11.4m women and girls, 9.5m men and boys.

19 MILLION VICTIMS

19 million victims are exploited by private individuals or enterprises and over 2 million by the state or rebel groups.

4.5 MILLION EXPLOITED

Of those exploited by individuals or enterprise, 4.5 million are victims of forced sexual exploitation.

\$150 BILLION ILLEGAL PROFITS

Forced labour in the private economy generates \$150 billion in illegal profits per year.

WORKING SECTORS AFFECTED

Domestic work, agriculture, construction, manufacturing and entertainment are the sectors most concerned.

VULNERABLE MIGRANT WORKERS

Migrant workers and indigenous people are particularly vulnerable to forced labour.

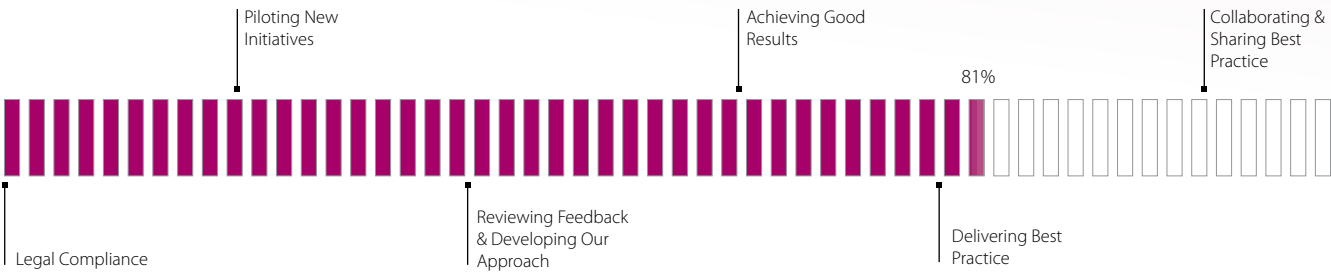


The Universal Declaration of Human Rights 1948 states that **"No one shall be held in slavery or servitude; slavery and the slave trade shall be prohibited in all their forms."**

Modern Slavery is an international crime, affecting an estimated 29.8 million slaves around the world . It is a global problem that transcends age, gender and ethnicities, including here in the UK and it's important that we bring this hidden crime into the open. (Source: <https://modernslavery.co.uk/>)



HUMAN RIGHTS



MARSHALLS' HUMAN RIGHTS POLICY

Marshalls supports human rights consistent with the Universal Declaration of Human Rights. In conducting its business activities across the globe Marshalls respects these rights and seeks to uphold, preserve and promote them.



Marshalls works to ensure that its presence cultivates fair and sustainable relationships. Marshalls respects and values the dignity, well-being and rights of employees, their families and the wider community. The Company actively works and collaborates with employees, communities, non-governmental and other appropriate stakeholders to uphold and promote these rights.

Where human rights are under threat, Marshalls works to uphold local laws, promote international standards and strives to have international standards upheld by the appropriate governments, institutions and agencies. Marshalls embraces opportunities to promote a broader understanding of human rights values working within its sphere of influence.

Marshalls actively seeks to collaborate with appropriate organisations to promote respect for human rights in a manner which is consistent with the role of business.

December 2015



MARSHALLS' CHILDREN'S RIGHTS POLICY

Marshalls supports children's rights consistent with the UN Convention on the Rights of the Child (CRC). The CRC sets out the basic human rights that children everywhere: have the right to survival; to develop to the fullest; to protection from harmful influences, abuse and exploitation; and to participate fully in family, cultural and social life.

Marshalls acknowledges its corporate responsibility to respect and support children's rights and actively seeks to implement the Children's Rights & Business Principles (CRBP) thereby supporting children's rights in the workplace, marketplace and community.

As a signatory of the UNGC, Marshalls seeks to uphold the ten guiding UNGC principles which act in support of children's rights. In conducting its business activities across the globe Marshalls respects children's rights and seeks to uphold, preserve and promote them wherever possible.

Marshalls has a Children's Rights Ambassador on the board who is responsible for ensuring that the company's Children's Rights Policy is implemented across the business.

Marshalls' Human Resources Department provides detailed information and guidance through the Company's induction process regarding the avoidance of violence, abuse and exploitation of children. Annual training workshops on children's rights and the implementation of CRBP also take place. Additional training and guidance is given to those employees who have greater involvement with or exposure to potential children's rights issues, e.g. procurement personnel, those travelling overseas, etc.

Guidance material for all employees about avoiding violence, abuse and exploitation of children, plus specific guidance regarding children working for company employees, is available on the Company intranet.

The CRC states that children have the right to a voice in matters that concern them and to have their opinions given due weight, based on their capacity and level of maturity. To ensure that any consultations with children follow ethical standards and are effective and meaningful for children, and useful for the organisation. Marshalls engages with in-country NGOs and/or community-based organisations to organise safe and respectful consultation with children. The Company also consults with other experts on children such as UNICEF, human rights organisations, national authorities and independent experts.

Marshalls has an established protocol regarding the use of children's images which demands that consent is given by a child parent/ guardian.

As a member of the Ethical Trading Initiative (ETI), Marshalls commits to the ETI Base Code which states that interpretation of the child labour clause of the Code should be done bearing in mind International Labour Organisation conventions. In addition, the ETI Code states that where national law and the code differ, the correct procedure is to adhere

to the standard that offers workers the highest level of protection. Marshalls therefore follows the ETI Code, and ILO standard, and will not permit children under 18 to work in its supply chain.

In addition, the Company provides information regarding issues of child labour and human rights guidance for all of its stakeholders, including its suppliers, which is available in the publications section at www.marshalls.co.uk/sustainability.

The Company has a programme of engagement with its suppliers regarding the implementation of UNGC principles and the CRBP. All suppliers have received a copy of this Children's Rights Policy and the Children's Rights & Business Principles.

Where children's rights are under threat, Marshalls works to uphold local laws, promote international standards and strives to have international standards upheld by the appropriate governments, institutions and agencies. Marshalls embraces opportunities to promote a broader understanding of children's rights working within its sphere of influence. Marshalls actively seeks to collaborate with appropriate organisations to promote children's rights in a manner which is consistent with the role of business.

December 2015

HUMAN RIGHTS

Marshall's Human Rights Programme

"There is a cast iron business case for our business & human rights programme. Whilst it clearly takes into account risk mitigation and legislative compliance, it is much more to do with further driving and embedding sustainability specifically regarding human rights, working effectively and creatively within the UN system, selectively extending our area of influence and ultimately creating competitive advantage for our business."

Marshall's CEO, Martyn Coffey

Our Human Rights Programme of activity is framed by the International Bill of Rights, consisting of the Universal Declaration of Human Rights; International Covenants on Civil & Political rights, and on economic, social and cultural rights. It is informed by and draws upon existing methodologies and frameworks including; The Danish Institute of Human Rights - Human Rights Compliance Assessment; Nogogaia, IFE, UNGC, IBLF 'Guide to Human Rights' and also Children's Rights & Business Principles, and Women's Empowerment Principles.



International Labour Organization

IPEC

Marshall's has committed to the ILO's International Program on the Elimination of Child Labour (IPEC) Child Labour Platform to further our work regarding the elimination of child labour in the sandstone sector in Rajasthan, India, and as a result of our commitments to Children's Rights & Business Principles.

IPEC, created in 1992 with the overall goal of the progressive elimination of child labour, is the largest program of its kind globally and the biggest single operational program of the ILO.

"We are delighted to engage with IPEC's Child Labour Platform and as UNGC signatories it is a natural progression for us. The Elimination of child labour in India is an issue that we've been engaged in for ten years, but not one that we can solve alone. As a result of (recent UNICEF research and) our second audit against the CRBP framework and our recent publication 'The Truth About Child Labour in the Sandstone Sector' (2) we have a clear programme of work regarding our own actions and also our leadership role in engaging the wider sector."

Chris Harrop, International Marketing Director, responsible for sustainability

"We are focusing upon embedding our newly developed 'Marshall's Protocol Regarding the Elimination of Child Labour' which is effectively a Standard Operating Procedure (SOP) for the organisation. This sets out yet further measures to help ensure a child labour free supply chain, and also importantly details what should be done in the best interests of a child if an instance of child labour is identified. However, for maximum, positive and lasting impact an industry-wide standard operating procedure is required in order to identify all stakeholders and clarify their roles in ensuring child labour becomes a thing of the past and that the rights of children currently caught up in the sandstone industry are safeguarded. We will be working with a range of actors and stakeholders on this issue and IPEC is of key importance to this process."

Elaine Mitchel-Hill, Marshall's Business & Human Rights Specialist

Benjamin Smith, ILO-IPEC commented, *"We warmly welcome Marshall's engagement in IPEC's Child Labour Platform. Our aims are ultimately to identify the obstacles to the implementation of the ILO Conventions in supply chains and surrounding communities. We are seeking to identify practical ways of overcoming these obstacles and catalyzing collective action. One of our areas of focus is child labour in quarrying & mining. This has not received as much attention as some other forms of child labour, perhaps because the number of children involved is relatively small – estimated roughly at one million globally – many countries having only a few hundred scattered here and there. But its extreme danger demands that this form of child exploitation must – and can – be stopped now."*

IPEC's work to eliminate child labour is an important facet of the ILO's Decent Work Agenda. Child labour not only prevents children from acquiring the skills and education they need for a better future, it also perpetuates poverty and affects national economies through losses in competitiveness, productivity and potential income. Withdrawing children from child labour, providing them with education and assisting their families with training and employment opportunities contribute directly to creating decent work for adults.

HUMAN RIGHTS

Human Rights Compliance Assessment

During 2016 we will finally complete the detailed process of undertaking a Human Rights Compliance Assessment across our business. The Human Rights Compliance Assessment (HRCA) is a tool designed to help detect human rights risks in company operations. It covers all internationally recognized human rights and their impact on all stakeholders, including employees, local communities, customers & host governments. This diagnostic tool has been developed by the Human Rights & Business Project at the Danish Institute of Human Rights and is a joint venture between the Danish Institute for Human Rights, the Confederation of Danish Industries, and the Danish Industrialization Fund for Developing Countries, with the support of the Danish government.



Human Rights Impact Assessment Programme

During 2016 we will be reviewing and developing our Human Rights Impact Assessment process

The HRIA programme will now incorporate quarterly Human Rights business briefings and face-to-face workshops and training to supplement the online training available via the Marshall's Certificate in Sustainability.

Sustainable Procurement

Sustainable procurement is at the heart of Marshall's approach to supply chain management. It's essentially about effective procurement which makes good business sense while also promoting positive outcomes for the economy, environment and society. Sustainable procurement and a responsible approach to supply chain management are a further demonstration of our commitment to UNGC pillars and the positive impact of the UNGC framework upon our business.

The supply chain team and I work closely with our human rights, labour rights and international sales colleagues to ensure that our due diligence processes include a human rights, gender, child rights and labour standards lens. During 2016 the supply chain team will be focusing upon embedding, implementing & reporting on our Modern Slavery commitments.

Richard Beale, Supply Chain Director.

Children's Rights & Business Principles

Our focus for 2016 will be implementing our top 10 CRBP priorities following our second CRBP audit during 2015.

Training of employees and supply chain regarding children's rights.

Safe and respectful consultations with children as stakeholders.

Development and implementation of Marshall's Elimination of Child Labour Protocol (India) Standard Operating Procedure.

Incorporation of CRBP specific due diligence processes within the HRIA programme.

ILO-IPEC engagement as a platform for learning and collaborating on these issues.

Build in a child focus to the due diligence process regarding existing and new sites/geographies/operations.

Develop safeguarding guidance in relation to children in each of the geographical locations where Marshall's does business.

Undertake a review involving human resources and procurement processes regarding CRBP.

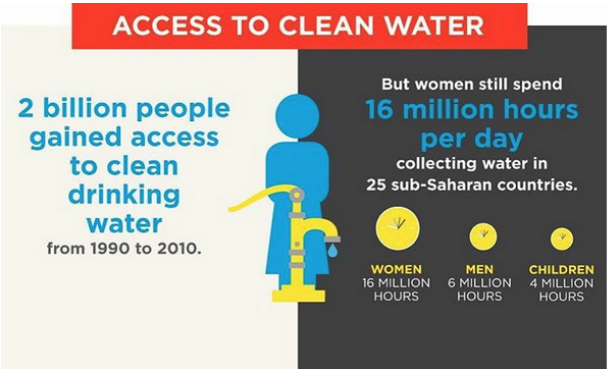
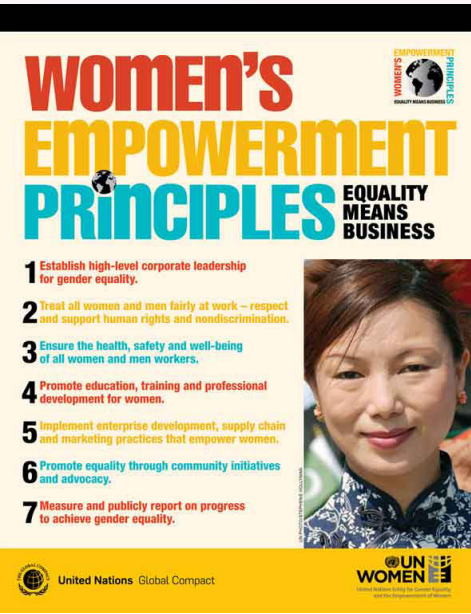
Undertake an audit against the Women's Empowerment Principles and consider the findings in relation to CRBP.

Assess our impact upon children in the quarrying communities where we operate.

HUMAN RIGHTS

Women's Empowerment Principles

Marshalls has already begun the process of mapping its operations against the Women's Empowerment Principles framework, a collaboration between UNGC and UN Women. This work will continue during the first half of 2016 with a view to becoming a WEPS signatory.



Business & Human Rights Training

The business and human rights message is extremely important for Marshalls and to ensure that all employees are up-to-date and understand why this matters to us during 2015 we have developed a specific Business & Human Rights training course. This can be accessed by all employees on our online Marshalls Learning Zone. This will continue to be rolled out during 2016 and we look forward to employee feedback.

HUMAN RIGHTS

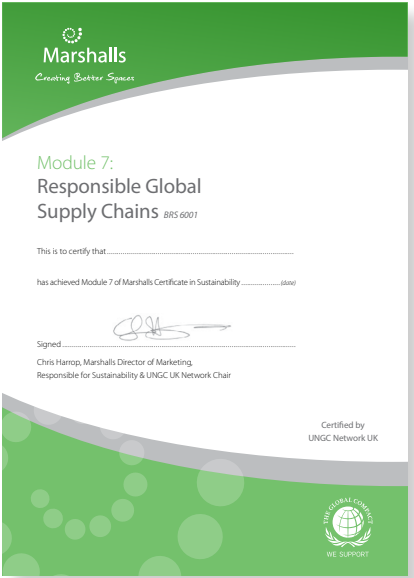
Modern Slavery Awareness Programme

During 2016 we will undertake a Modern Slavery Awareness Programme throughout our UK operations. It is important that everyone understands what modern slavery is and that they are empowered to act should they see this either within a business context or within the community. As well as supporting the human rights of all individuals we also need to ensure that we are not corporate victims of criminality in this respect. We will work in support of the Anti Slavery Commissioner, Kevin Hyland, and the aims of his Strategic Plan 2015 - 2017.

- Victim Identification & Care**
To drive improved identification of victims of modern slavery and enhanced levels of sustained support for victims and across the UK
- Law Enforcement Evaluation**
To promote an improved law enforcement and criminal justice response across the UK, to support development and adoption of effective training, and to increase awareness of modern slavery across relevant statutory agencies
- Private Sector Engagement**
To engage with the private sector to promote policies to ensure that supply chains are free from slavery and to encourage effectual transparency reporting
- Partnerships**
To identify, promote and facilitate best practice in partnership working, and to encourage improved data sharing and high quality research into key issues
- International Collaboration**
To encourage effective and targeted international collaboration to combat modern slavery

Marshalls Certificate in Sustainability

Sustainability is fundamental to Marshalls and affects all parts of the business. To help ensure that all employees are knowledgeable and engaged, we are aiming to launch the 'Marshalls Certificate in Sustainability', developed in consultation with Global Compact Local Network UK. This online training programme harnesses core values of leadership, excellence, trust and sustainability to address the UNGC principles - human rights, labour rights, environment & anti-corruption - and also focuses upon responsible global supply chains.



I will work tirelessly to make the UK a more hostile environment for traffickers and slave masters to operate in and to develop strategies to address demand that contributes to modern slavery. Ensuring that the new powers in the 2015 Modern Slavery Act are fully utilised, such as the use of enhanced tools to target criminal finances, and trafficking prevention and risk orders, will be of paramount importance. I am also focused on improving efforts to prevent these crimes from ever occurring in the first place, in the UK and in other countries of origin.

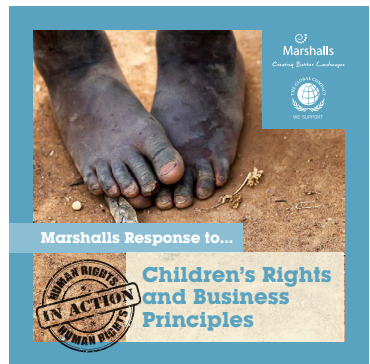
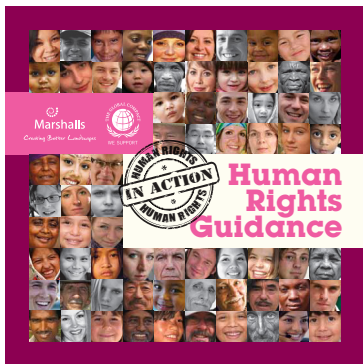
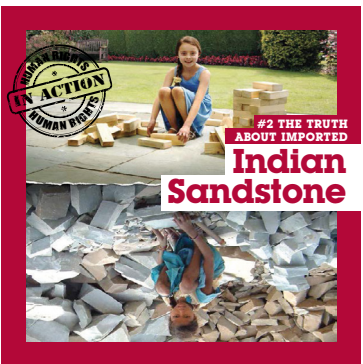
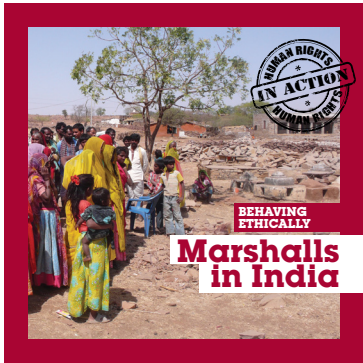
My immediate aims as Commissioner are twofold: to see an increase in the numbers of victims of modern slavery that are identified and referred for appropriate support; and, in tandem, to see an increase in the numbers of prosecutions and convictions of traffickers and slave masters.

My priorities, and the actions I will be taking to achieve them, will all be framed by a dedicated adherence to the '4P' paradigm that serves as the fundamental international framework to combat modern slavery (Prevention, Protection, Prosecution and Partnerships), as well as a thorough understanding of the HM Government Modern Slavery Strategy's closely linked '4P' framework (Pursue, Prevent, Protect and Prepare). Government departments and agencies are now experienced in using this framework to counter modern slavery and other serious and organised crimes.

Kevin Hyland, Independent Anti Slavery Commissioner
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/468729/IASC_StrategicPlan_2015.pdf

HUMAN RIGHTS

HUMAN RIGHTS INFORMATION AND EDUCATION



Marshalls produced a comprehensive range of booklets regarding its human rights approach and commitments to engage and inform its wide range of stakeholders; including employees, customers, suppliers and NGO partners. The latest addition to the suite is The Truth About Child Labour in the Indian Sandstone Sector.

All of these booklets are available in the publications section of the sustainability website and can be accessed at www.marshalls.co.uk/sustainability/publications

HUMAN RIGHTS TARGETS



ACHIEVEMENTS 2015

Worked continuously to uphold the ETI base code to help ensure that no child labour is used within the supply chain.

Development of the reporting process undertaken by social auditors in the supply chain, including the reporting and monitoring from the Indian supply chain.

Ongoing monitoring and evaluation of human rights in India, including HRIA.

Development of a human rights programme; including human rights assessment check and human rights impact assessments.

Continuously worked on the process of embedding human rights within the organisation; working closely with human resources and procurement teams.

TARGETS 2016

Continue to work to uphold the ETI base code throughout our operations to help ensure that no child labour is used within the supply chain.

Further improve and develop the reporting process for social auditors and any associated corrective action plans.

Further develop our human rights monitoring and evaluation programme.

Further development of the human rights programme; completion of the Human Rights Assessment Check and development and integration of the human rights impact assessment process and information.

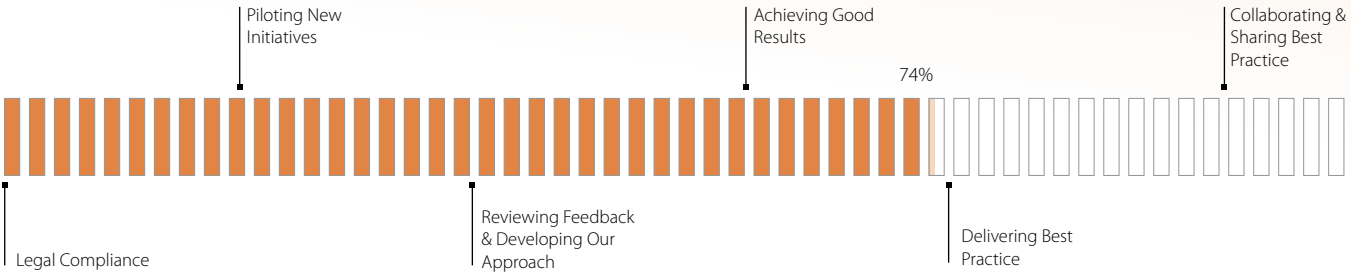
Further work on the process of embedding human rights within the organisation; working closely with human resources and procurement teams; and delivering the appropriate internal training regarding human rights & business, especially in relation to modern slavery.

Continue to implement our CRBP top 10 priorities.

Finalise our WEPs audit and implement recommendations.

Deliver our first Modern Slavery Act Disclosure Statement and work with 'critical friends' to develop and work on the associated KPI's.

LABOUR



Marshalls’ approach to labour rights continues to be driven by the Ethical Trading Initiative Base Code, the UNGC Labour principles and the organisations’ commitment to sustainable business.

THE ETI BASE CODE STATES THAT:

1/
EMPLOYMENT IS FREELY CHOSEN

- 1.1 There is no forced, bonded or involuntary prison labour.
- 1.2 Workers are not required to lodge “deposits” or their identity papers with their employer and are free to leave their employer after reasonable notice.

2/
FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING ARE RESPECTED.

- 2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.
- 2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.
- 2.3 Workers’ representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- 2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

3/
WORKING CONDITIONS ARE SAFE AND HYGIENIC.

- 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
- 3.2 Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.
- 3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.
- 3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.
- 3.5 The company observing the code shall assign responsibility for health and safety to a senior management representative.

4/
CHILD LABOUR SHALL NOT BE USED

- 4.1 There shall be no new recruitment of child labour.
- 4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child; “child” and “child labour” being defined in the appendices.
- 4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.
- 4.4 These policies and procedures shall conform to the provisions of the relevant ILO standards.



7/
NO DISCRIMINATION IS PRACTICED

- 7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

5/
LIVING WAGES ARE PAID

- 5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.
- 5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
- 5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.



8/
REGULAR EMPLOYMENT IS PROVIDED

- 8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.
- 8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, subcontracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

6/
WORKING HOURS ARE NOT EXCESSIVE

- 6.1 Working hours comply with national laws and benchmark industry standards, whichever affords greater protection.
- 6.2 In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every 7 day period on average. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate.



9/
NO HARSH OR INHUMANE TREATMENT IS ALLOWED

- 9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.
- The provisions of this code constitute minimum and not maximum standards, and this code should not be used to prevent companies from exceeding these standards. Companies applying this code are expected to comply with national and other applicable law and, where the provisions of law and this Base Code address the same subject, to apply that provision which affords the greater protection.

LABOUR

Implementing the ETI Base Code

Implementing the ETI Base Code across all of our global supply chain operations is managed and overseen by our Head of Sustainability, David Morrell and (title) Rory Kendrick. Working closely with our in-country social auditors, our independent auditors and our Head of Procurement, Richard Beal, the organisation works hard to ensure that customer demands do not impact negatively upon workers.

Head of Sustainability

All supply chains presents their own unique challenges wherever they are in the world. Through a comprehensive research and risk based approach, including due diligence with distinct labour rights and human rights parameters, we assess our trading partners, not only at the beginning of any relationship but on an ongoing basis. We are ideally seeking long term relationships and often work with our suppliers utilising our knowledge and resources to help ensure that workers’ rights are not only observed but actively promoted.

As Head of Sustainability, and the key point of contact with the ETI, I work to ensure that all employees and stakeholders involved in our supply chains are aware of our adherence to the Base Code, our human rights and related policies, and of our wider commitments to the communities in the places that we do business.

David Morrell

International Natural Stone

Responsible for sourcing new natural stone products worldwide and identifying suitable trading partners, a key part of my work is due diligence and supplier auditing. I'm specifically looking to assess whether our suppliers, new and existing, meet the ETI base code standards and UNGC principles. Once a trading relationship is established I work with suppliers to guide them on a journey of continuous improvement in ethical standards.

Rory Kendrick

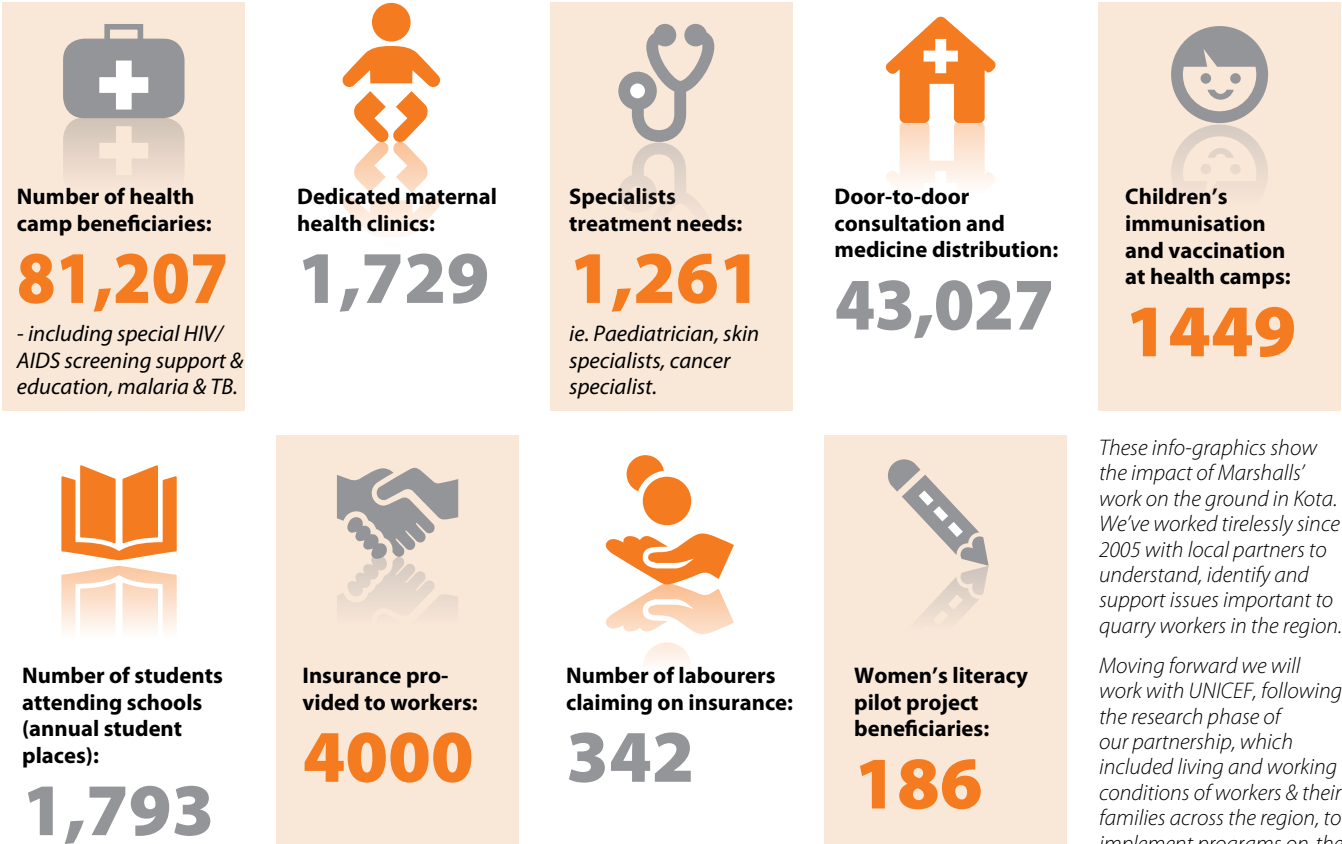


LABOUR

Marshalls has been actively working to eliminate child labour in the quarrying sector in Rajasthan for over 10 years

Providing free primary education, advocating regarding children’s rights and offering practical support in terms of fair pay, social insurance, health care, adult literacy and workers’ rights education all of which are factors involved in issues of child labour.

The findings of the UNICEF research “Children’s Lives Cast in Stone 2015” will inform our approach to working with our suppliers, partners and the community in India.



These info-graphics show the impact of Marshalls' work on the ground in Kota. We've worked tirelessly since 2005 with local partners to understand, identify and support issues important to quarry workers in the region. Moving forward we will work with UNICEF, following the research phase of our partnership, which included living and working conditions of workers & their families across the region, to implement programs on-the-ground.

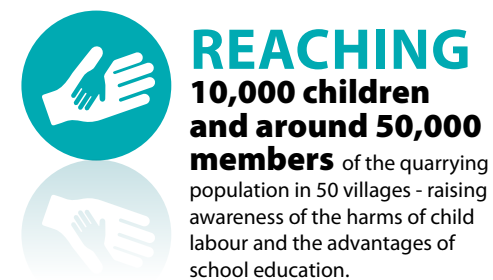
LABOUR

What We're Doing Now

Through a strategic partnership, which began in January 2014, Marshall's and UNICEF UK have been working together to help vulnerable children affected by exploitative child labour in India's sandstone quarrying sector. The partnership set out to deliver child protection projects in 50 villages in India's Rajasthan State, reaching approximately 10,000 children. This activity set out to develop a community-based infrastructure which supports the protection of children and the elimination of child labour.



Helping to ensure that the District is able to implement **special training** to ensure that children are prepared for mainstream schooling.



EDUCATING KEY STAKEHOLDERS - teachers, community leaders, young people about child protection, education and the rights of children.

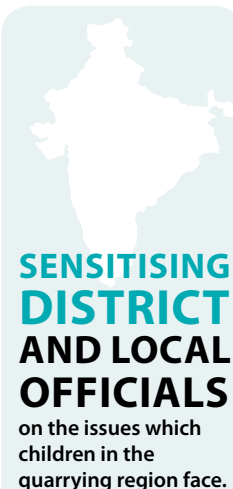
WORKING WITH 50 SCHOOLS to develop and deliver child friendly schools. *



Helping to ensure that Kota District has a clear plan for child protection; including **PROTECTIVE MEASURES** for children among the quarrying community.



Identifying **vulnerable families and children** in the 50 villages and linking them to **SOCIAL PROTECTION SCHEMES**.



LABOUR

This important research - 'Children's Lives Cast in Stone' - confirms our fears, observations and understanding regarding the extent of child labour in the industry and finally draws a line in the sand. It's an issue that we've been engaged in for ten years, but not one that we can solve alone.

In response to UNICEF's report findings and recommendations Marshall's has a clear plan of action regarding its own actions and also its leadership role in engaging the wider sector.

Marshall's' own activity will be focus upon embedding its newly developed 'Marshall's Protocol Regarding the Elimination of Child Labour' which is effectively a Standard Operating Procedure (SOP) for the organisation which sets out further measures to help ensure a child labour free supply chain, and also importantly details what should be done in the best interests of a child if an instance of child labour is identified. However, for maximum, positive and lasting impact an industry-wide standard operating procedure is required in order to identify all stakeholders and clarify their roles in ensuring child labour becomes a thing of the past and that the rights of children currently caught up in the sandstone industry are safeguarded.

We will also be working to establish a Living Wage Benchmark for the region using Living Wage Foundation and OXFAM methodologies. Where appropriate Marshall's will include these and other actions as a result of the research recommendations into its ongoing Human Rights Impact Assessment programme, its Children's Rights & Business Principles process and the organisations targets set out in its annual UNGC Communication On Progress.

Scrutiny of a business's human rights impact are at an all-time high and it's now time for the sector to integrate Children's Rights and Business Principles into its thinking and operations.

Elaine Mitchel-Hill, Business and Human Rights Specialist

The report's key recommendations are set out across the following three areas:

- ❖ Creating a supportive policy and regulatory framework to protect children
- ❖ Creating a responsible and transparent industry
- ❖ Creating improved communities for workers in the industry.

Creating a supportive policy and regulatory framework to protect children

- ❖ Review and strengthen child protection systems at state, district, block and panchayat level
- ❖ Clarify and better define the jurisdictions and responsibilities of central and state government actors
- ❖ Review industry structures to identify impacts on social welfare and fair competition to ensure marginalised and vulnerable people are protected.

Creating a responsible and transparent industry

- ❖ Ensure due diligence processes for core worker rights and human rights are embedded in the sector
- ❖ Establish a living wage benchmark
- ❖ Establish Standard Operating Procedures for instances of child labour
- ❖ Establish a voluntary sustainability standard within the sandstone sector.

Creating better communities for workers in the industry

- ❖ Invest in public infrastructure systems – with a specific focus on improving education and health care systems
- ❖ Ensure the availability of safe and potable water and improved provision for sanitation within communities
- ❖ Develop community mobilisation programmes around health, nutrition, and early childhood development.
- ❖ The full recommendations can be found in the report www.marshall's.co.uk/sustainability/Publications_Library/publication/7/Reports/

LABOUR: LIVING WAGE



Marshalls was awarded the Living Wage Employers Accreditation in 2014. This is only available in the UK. In India, Marshalls works with NGOs and others to calculate a living wage which is paid to those working in its supply chain there.



1/ ACCREDITATION

Offers accreditation to employers that pay the Living Wage, or those committed to an agreed timetable of implementation, by awarding the Living Wage Employer Mark.

Offers a Service Provider Recognition Scheme for third party contractors who pay their own staff the Living Wage and always offer a Living Wage option when submitting tenders.

2/ INTELLIGENCE

Provides advice and support to employers and service providers implementing the Living Wage including best practice guides; case studies from leading employers; model procurement frameworks and access to specialist legal and HR advice. We coordinate the announcement of the new Living Wage rates each November.

3/ INFLUENCE

Provides a forum for leading employers and service providers to publicly back the Living Wage. Work with Principal Partners who bring financial and strategic support to our work. The Foundations coordinates Living Wage Week each November, a UK wide celebration of the Living Wage.

WHAT IS IT?



- An hourly rate set independently and updated annually
- The Living Wage is calculated according to the basic cost of living in the UK
- The current UK Living Wage is £7.85 an hour
- The current London Living Wage is £9.15 an hour
- Employers choose to pay the Living Wage on a voluntary basis
- The Living Wage enjoys cross party support, with public backing from the Prime Minister and the Leader of the Opposition
- Paying the Living Wage is good for business, good for the individual and good for society
- The Living Wage Employer Mark and Service Provider Recognition Scheme provide an ethical badge for responsible pay

LABOUR: LIVING WAGE



What are the benefits?

> GOOD FOR BUSINESS

An independent study examining the business benefits of implementing a Living Wage policy in London found that more than 80% of employers believe that the Living Wage had enhanced the quality of the work of their staff, while absenteeism had fallen by approximately 25%.

Two thirds of employers reported a significant impact on recruitment and retention within their organisation. 70% of employers felt that the Living Wage had increased consumer awareness of their organisation's commitment to be an ethical employer.

Following the adoption of the Living Wage PwC found turnover of contractors fell from 4% to 1%.

> GOOD FOR FAMILIES

The Living Wage affords people the opportunity to provide for themselves and their families.

75% of employees reported increases in work quality as a result of receiving the Living Wage.

50% of employees felt that the Living Wage had made them more willing to implement changes in their working practices; enabled them to require fewer concessions to effect change; and made them more likely to adopt changes more quickly.

> GOOD FOR SOCIETY

The Living Wage campaign was launched in 2001 by parents in East London, who were frustrated that working two minimum wage jobs left no time for family life.

The causes of poverty are complex and in order to improve lives, there should be a package of solutions across policy areas. The Living Wage can be part of the solution.

50% of employees felt that the Living Wage had made them more willing to implement changes in their working practices

75% of employees reported increases in work quality as a result of receiving the Living Wage.

LABOUR

Social Auditors

Central to ensuring that the ETI Base Code is implemented and embedded within its supply chain and operations are Marshalls' social auditors in India, China & Vietnam.

Social auditors work on a daily basis with quarry owners, factory owners, managers and workers to ensure the ongoing implementation of the ETI Base Code.

Marshalls' head office has daily contact with the social auditors who provide weekly reporting on all aspects of the Base Code; for example the amount workers are paid, the hours that they work, the conditions they work in, health and safety, measures that no child labour is used and that there is no harsh or inhumane treatment of workers.



Satya and Hitesh in India, undertaking social audits.



Stirling Smith, Just Solutions Ltd, auditing and verifying activity on the ground.



Marshalls' sole supplier in India is Stone Shippers Ltd. The long term relationship has enabled Marshalls to share its knowledge with the organisation and to work closely to embed sustainable practices, and to monitor these on an ongoing basis.

STONE SHIPPERS UNDERTAKES SOCIAL RESPONSIBILITY ACTIVITY INCLUDING:

- Safety education workshops for employees and subcontractors.
- Awareness raising about issues of child labour and establishing crèche facilities.
- Building schools and donating computers.
- Provision of uniforms, books and mid-day meals for children at local schools.
- Free medical health checks and visits by the Doctor.
- Supporting local hospitals by providing blankets, bed linen and air conditioning units.



LABOUR: TARGETS

ACHIEVEMENTS 2015

Maintained accreditation to IMS.



Continued to research, report and embed relevant information regarding labour laws and their implications across the supply chain.



Further developed the social auditor reporting processes.



Worked in a strategic partnership with UNICEF to end child labour in the sandstone sector.



TARGETS 2016

Maintain accreditation to IMS.

Maintain information gathering regarding labour laws throughout our supply chain.

Work to further improve the social auditor reporting process; and any associated correct action plan processes and procedures.

Implement the recommendations resulting from the UNICEF research.

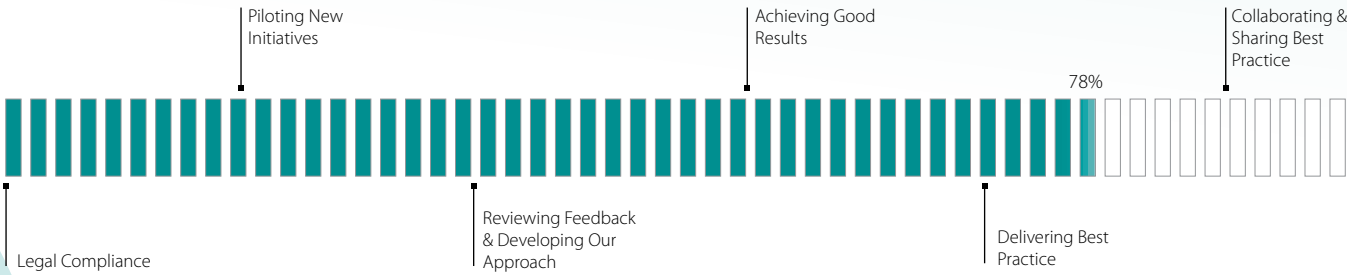
Work with procurement team to review and revise supplier code of conduct as appropriate to reflect the Modern Slavery Act.

Work with human resources team to further develop systems and procedures which help to ensure that no modern slavery takes place within our operations.

Maintain Living Wage accreditation.

Work with ILO IPEC Child Labour Platform to contribute further to the eradication of child labour.

ENVIRONMENT



Due to Marshalls’ status the environmental key performance indicators will be published alongside the annual report in April. This will be available online in due course.

At the heart of Marshalls’ sustainable business model, shown earlier in this report, is an approach which combines key business issues and KPIs with third party verification, legislation and industry standards including ISO14001 for environmental management.

Marshalls’ environmental targets relate to strategic plans which are driven by board executives and implemented by a large internal resource. Systems, which represent a significant investment, are in place throughout the business and allow the real time monitoring of energy consumption and how this relates to carbon reduction measures.

Marshalls’ Environment & Climate Change Policy documents the related key performance indicators.

Key environmental targets and drivers for our business are determined by legislative requirement and also the Company's commitment to sustainability, cost efficiency and shareholder value.



Marshalls

Environmental Policy Statement

Marshalls is committed to achieving the highest standards of environmental performance, preventing pollution and minimising the impact of our operations. The Group's aim is to minimise the environmental damage that occurs as a result of our activities and policies are being implemented to ensure that all our operations meet or exceed the requirements of legislation and applicable best practice.

Marshalls regards compliance with relevant environmental laws, and the adoption of responsible standards where no legislation exists, as an integral part of our business strategy and we are committed to considering the environmental impacts associated with our products throughout their life cycle. The Group aims to make most efficient use of raw materials and to maximise use of recycled and secondary raw materials, and production residues, where appropriate. The environmental stewardship of our major raw material suppliers is reviewed as part of the Group's ongoing commitment to Responsible Sourcing.

Marshalls is committed to monitoring and measuring our environmental performance, using appropriate external guidelines wherever practicable. Each operational site has assessed the environmental aspects and impacts of its activities with objectives and targets, being set with a view to improving the overall environmental impact of those activities particularly in relation to Group targets.

This policy applies to all Marshalls businesses and requires Marshalls to:

- Reduce the volume of mains and extracted borehole water to 0.05m³ per tonne of production by 2015, this will be reviewed during the year with new targets being set
- Manage Biodiversity where appropriate against site specific Action Plans
- Reduce the weight of packaging per tonne of production by 2% per annum over a 3 year rolling cycle to a level where pack and product safety is not compromised
- Reduce the % of total waste to landfill per production output by 3% per annum on a 3 year rolling average
- Review the Group's targets and Policy annually against business objectives and commitments given to industry initiatives and wider stakeholders. The review being undertaken by the Sustainability Team

Marshalls will continue to raise environmental awareness within the Group through the development and training of our employees and will communicate openly and consult with customers, suppliers and other stakeholders on relevant environmental matters.

Marshalls strives to protect and enhance biodiversity and natural habitats within our landholdings where possible. We also recognise the need for sympathetic restoration and after-use of quarry and other operational sites and consider the character of the local environment and the concerns of the local community and other stakeholders when planning such matters.

Signed by:



Martyn Coffey, Chief Executive
January 2015



Marshalls

Energy and Climate Change Policy Statement

The use of energy is vital in the supply and manufacture of our products and represents a significant proportion of our operating costs. Rising energy costs for us and in our supply chain, growing concerns over the security of supply and of climate change mean that the importance of controlling our energy use and reducing our reliance on fossil fuels has never been so high. This policy document is consistent with our sustainability strategy and supports our vision by helping us to operate our business, as market leaders, in a sustainable and responsible manner.

Sustainability is one of Marshalls' four key core values, balancing our environmental, social and economic impacts. In essence, achieving our goal of sustainability involves judging the long-term merits of our business against this triple bottom line.

Marshalls recognises that sound energy management is vital to the future of our business and it must be fully integrated into our management and operational procedures so that it is an every day part of what we all do. Marshalls commits to ensuring that appropriate energy management systems are developed and maintained, and that sufficient resources are made available to achieve the objectives of this policy in a sustainable manner.

This policy applies to all Marshalls businesses and covers our direct and indirect emissions, including our supply chain. The policy requires Marshalls to:

- Reduce our corporate Green House Gas (GHG) emissions by 34% by 2020 and 80% by 2050. These reductions are measured against a 1990 baseline.
- Our target for absolute GHG emissions until 2020 requires an annual reduction of 3.1% in GHG emissions.
- Achieve a relative GHG emission target (excluding transport) of 7kgCO₂/tonne of production by 2015 and then reduce by 3% pa thereafter.
- Develop renewable projects that ensure we use 20% renewable energy in our manufacturing operations by 2020.
- Develop an adaptation and mitigation strategy for Climate Change and fossil fuel depletion.
- Extend the coverage of the Energy Management System to include product carbon footprints, supply chain emissions and GHG gasses other than CO₂.
- Comply with our legal obligation in the UK Government's mandatory GHG reporting for publicly listed Companies
- Comply with our legal obligation within the Energy Savings Opportunity Scheme, by gaining ISO50001 standard in 2015.

Marshalls' Energy Strategy details group wide projects and investments; this includes a plan of actions, timescales and resources up to 2020 to help us achieve our goals. Every operational site has an energy action plan, which is maintained by the site and details a practical schedule of actions and investments.

Signed by:



Martyn Coffey, Chief Executive
January 2015

ENVIRONMENT

The key environmental issues for Marshalls are climate change, water and biodiversity.

These are particularly significant because Marshalls is aware of its contributions to man-made climate change (as detailed by the Inter-Government Panel on Climate Change) and as such is committed to helping reduce it.

Biodiversity is also key because of the activities Marshalls carries out – extracting material has an impact on the environment and it's only by working with the land that we can manage our impact on the land.

Water as a resource is becoming scarce and Marshalls has identified clean water shortage as one of the biggest challenges of the future.

Marshalls receives BRE Global’s latest Responsible Sourcing credential

Marshalls is proud to announce that we are the first company in our sector to be awarded BRE Global's BES 6001 Responsible Sourcing certificate, under their new and more stringent standard and have received a 'Very Good' performance rating.

We continue to commit to the principles of responsible sourcing, covering social, environmental and economic principles of which this standard forms an important part.

Katie Livesey, Head of Responsible Sourcing at BRE said:

“BRE Global works to ensure products and services protect people, property and the planet. Many companies say they are 'green', but these claims are not easily substantiated and often the result of common marketing tactics.

“It is great to see companies like Marshalls embedding sustainability into the heart of its business. As the first company in its sector to be awarded BES 6001 against

the newly revised Issue 3.0, and with a 'Very Good' rating, Marshalls has set a precedent for other companies to follow.”

David Morrell, Head of Sustainability at Marshalls said:

“Marshalls is proud to be leading the industry in responsible sourcing. We take this issue extremely seriously and we are constantly seeking ways to further enhance our sustainable credentials.

“Not only is this a fantastic achievement for us, but it also offers our clients third party assurance that they are working with a responsible partner.”



ENVIRONMENT

Carbon Reduction

Marshalls has already demonstrated good energy management by achieving The Carbon Trust Standard and is now well equipped for the Government's Carbon Reduction Commitment Energy Efficiency Scheme (CRC), which was launched in April 2010.

Marshalls already voluntarily discloses information on its greenhouse gas emissions, risks, opportunities and plans via the Carbon Disclosure Project and The Prince's May Day Network. The company is also addressing alternatives such as renewables, as well as committing to reducing consumption through a number of energy management programmes.



Energy

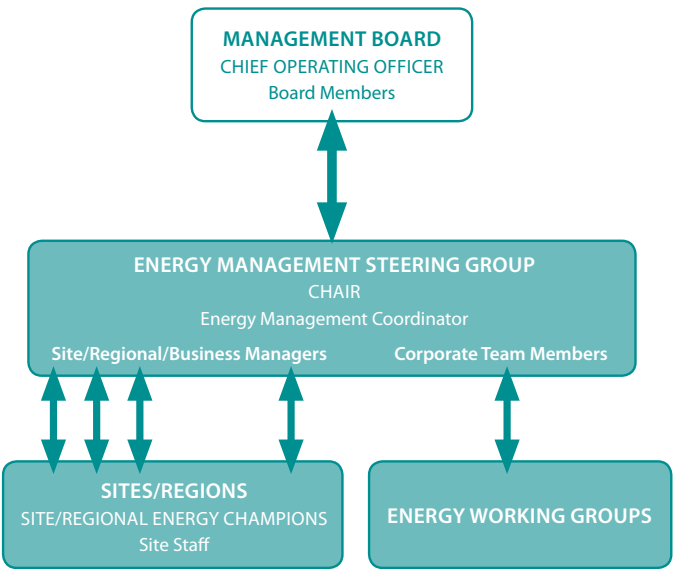
Climate change is one of Marshalls' KPIs from the sustainable business model. Marshalls has made a commitment to reduce emission of greenhouse gases by 80% by 2050 by employing energy management systems, reviewing processes and keeping abreast of new technologies, reporting progress, and developing carbon tools to allow our customers to measure their impact. In 2009, Marshalls announced

carbon footprints for all its commercial products, bringing the total carbon labelled products to over 3288 commercial and domestic hard landscaping products – the most of any company in the world at the time. Since then, Marshalls has continued to work to reduce those product footprints.

Now in its fifth year, the Energy Management Steering Group promotes Marshalls' carbon reduction policy throughout the organisation. Chaired by the Board Director who reports on sustainability, the group meets quarterly to:

- Identify current inefficiencies
- Advise on setting of company and site specific targets
- Oversee training practices relevant to energy
- Summarise progress for annual report and investors
- Review energy management procedures

From the group, ideas and projects get filtered through sites and corporate teams to a team of 60+ energy champions who are based on site.



ENVIRONMENT

Marshalls is on track to reduce its water consumption of 0.053m³ per tonne of product by 2012.

Marshalls has committed to The CEO Water Mandate, an initiative by business leaders in partnership with the international community. Its structure, covers six key areas in a comprehensive approach to water management, which will develop Marshalls current water management approach to flooding, water quality and drought management.

1. Direct Operations
2. Supply Chain
3. Watershed Management
4. Collective Action
5. Public Policy
6. Community Engagement & Transparency

THE CEO WATER MANDATE
An initiative by business leaders in partnership with the international community

Marshalls
Creating Better Landscapes

Landscape House, Premier Way,
Lowfields Business Park, Elmdon,
West Yorkshire LE15 8RT
T 01422 312000
F 01422 312009
www.marshalls.co.uk

Marshalls Mure Limited
Registered Office
Bilby Grange, Bilby Road, Roorh
Huddersfield HD2 2JG
Registered in England No. 026579
A subsidiary of Marshalls plc

31st December 2012

Dear UN Global Compact Office

THE CEO WATER MANDATE: MARSHALLS PLC

Marshalls plc has been a UNGC signatory since early 2009. During the last four years the organisation has very tangibly experienced the positive impact of UNGC engagement in a plethora of ways. Of key importance has been the development of our business strategy regarding the environmental principles, and also the resulting product development as we seek to contribute positively to the issues regarding water, namely drainage particularly in relation to the challenges posed by increasing urbanization.

As a result I believe that the time is right for us to engage fully with The CEO Water Mandate. I recognize that the private sector has an important stake in helping to address the water challenges faced by the globe. Both myself, Marshalls board and senior management team, as well as a great number of our employees, recognise that water stress is set to worsen in many parts of the world as a result of numerous factors including: urbanization, population growth, increasing food production, changes in consumption patterns, continued industrialization, water pollution and climate change.

I understand that strategic framework presented in The CEO Water Mandate is voluntary and aspirational and that it represents an excellent opportunity for Marshalls to engage, excel and make a positive contribution to the water challenges which are very real and set to worsen.

With my full backing and commitment Marshalls is ready to embrace The CEO Water Mandate and to work in the six areas identified within the Mandate: Direct Operations; Supply Chain and Watershed management; Collective Action; Public Policy; Community Engagement; and Transparency.

I look forward to sharing our progress in this area in our 2013 Communication on Progress.

Yours faithfully,
D. Graham Holden
Graham Holden
CEO
Marshalls plc

Biodiversity

Marshalls has drafted a biodiversity strategy, in consultation with external stakeholders, documenting a systematic approach to our legal, protection and enhancement commitment to the biodiversity on its sites. This strategy includes a priority approach to defining appropriate sites together with evaluation of the biodiversity ecosystem services delivered.

Waste Reduction & Packaging

During 2014 Marshalls continued to measure the amount of waste leaving site and is on track to achieve its aim of reducing waste by 3% per annum averaged over a three year period. The target for packaging is to reduce by 2% per annum over a three year period. The Company continues to carefully monitor the sourcing of timber by pallet suppliers having worked with them to achieve Forestry Stewardship Counsel accreditation at the end of 2009.

ENVIRONMENT



Eaglescliffe

- 97 acre site incorporating 12 acres of Woodland which is used by Eaglescliffe Forest School.
- 112 employees
- 66 in Works.
- 20 in Logistics.
- 14 in Customer Service.
- 12 in the Yard & Dispatch
- 2 in Premier Mortars
- Manufacture of Concrete Block Paving, Flag, Kerb, Edgings, Shot blasted products, Croft Walling and Tumbled products, Mortars and Screed



ENVIRONMENT: TARGETS

ACHIEVEMENTS 2015

Carbon foot-printing of 3288 products. ✓

Carbon foot-printing of 3288 products. ✓

Uphold the BITC May Day Network pledges. ✓

Marshalls Energy Savings Week. ✓

Reduce use of water from mains and licensed boreholes to 0.05m3 per tonne of production by 2015. ✓

Develop biodiversity plans for all appropriate sites. ✓

Reduce by 3% the total waste-to-landfill per production output per annum on 3 year rolling average. Reduce by 2% per tonne of production output per annum over a 3 year cycle to a level where pack and product safety is not compromised. ✓

TARGETS 2016

To reduce emissions of CO2 in line with Government targets; 80% by 2050 and 34% by 2020.

Carbon foot-printing of 3288 products.

Uphold the BITC May Day Network pledges.

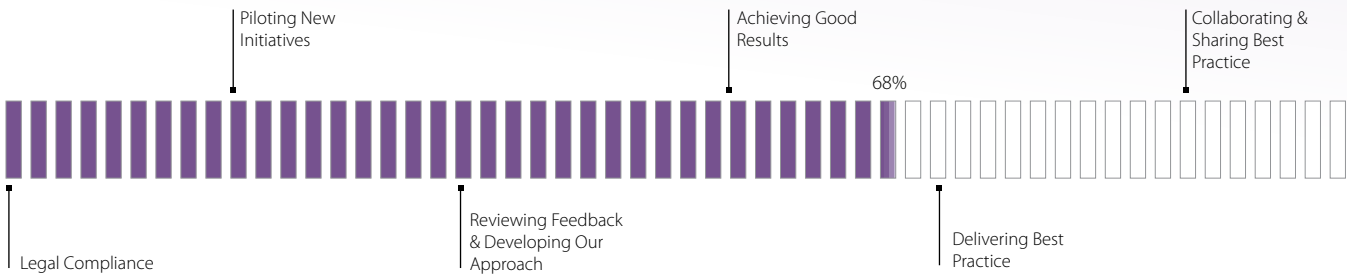
Marshalls Energy Savings Week.

Reduce use of water from mains and licensed boreholes to 0.05m3 per tonne of production by 2015.

Implement biodiversity plans at selected sites.

Reduce by 3% the total waste-to-landfill per production output per annum on 3 year rolling average. Reduce by 2% per tonne of production output per annum over a 3 year cycle to a level where pack and product safety is not compromised.

ANTI-CORRUPTION



The UK Bribery Act 2010 came into force on 1st July 2011. It amends and reforms UK criminal law and provides a modern legal framework to combat bribery in the UK and internationally.

THE BRIBERY ACT CREATES THE FOLLOWING OFFENCES:

1# ACTIVE BRIBERY:
promising or giving a financial or other advantage.

2# ACTIVE BRIBERY:
Passive bribery: agreeing to receive or accepting a financial or other advantage.

3# ACTIVE BRIBERY:
Bribery of foreign public officials.

4# ACTIVE BRIBERY:
The failure of commercial organisations to prevent bribery by an associated person (corporate offence).

Throughout 2011 there was great focus by the UNGC UK Network on Anti-Corruption with a number of events and speakers attending education events open to UK Network members. Marshalls took advantage of these opportunities with a range of individuals from within the organisation attending and reporting back.

The UNGC tenth principle commits signatories not only to actively avoid bribery, extortion and other forms of corruption but to develop policies and concrete programmes to address corruption and related risks.

Marshalls understands that bribery is not a victimless crime and that it discourages developmentally effective trade and siphons off funds away from projects designed to help the most disadvantaged. It tarnishes reputations, drains corporate motivation and distorts competition.

Marshalls' procurement policy can be viewed at: www.marshalls.co.uk/sustainability



ANTI BRIBERY CODE

1. In this Code, “Marshalls” means Marshalls plc and its subsidiary companies.

2. Marshalls is committed to conducting its business with the utmost integrity and in accordance with the principles set out in the UK Bribery Act 2010.

Marshalls plc is a signatory of the UN Global Compact, which informs and governs the way in which we do business. Marshalls expects its employees and business partners to respect and support our core values of trust, honesty and integrity and to recognise and implement this Code.

3. Marshalls does not tolerate the offering, giving, requesting, receiving or acceptance of bribes in any form.

A bribe is a financial payment or other form of reward that is intended to induce or influence an individual, company or public body to perform their functions improperly. This may include showing partiality, acting in bad faith or acting in a way that is inconsistent with a position of trust.

Bribes, for the purpose of this Policy, include facilitation payments, kickbacks and any other reward, favour or payment designed to induce or influence the recipient to perform his or her functions improperly.

In the case of a foreign public official, it is not permitted to offer a payment or other reward to a foreign public official that may influence that official to give an advantage to our business, whether or not intended to induce improper performance.

Hospitality designed to improve business relations which is proportionate to the circumstances and which is not for an improper purpose is not usually regarded as a bribe. Further guidance can be found in the Procurement Policy Statement and the Hospitality Guidelines.

No employee, agent, consultant or business intermediary acting for Marshalls may offer, give, request, receive or accept any bribes, whether directly or indirectly.

What does this mean for me?

• Any alleged or suspected incident of bribery will result in a formal investigation, and may result in disciplinary action for any employee involved. Any activity or behaviour by an

employee that is unlawful or prohibited by this Code will constitute gross misconduct and may result in dismissal. Employees may be suspended while investigations are carried out.

• Employees who engage or do business with third parties who act on behalf of Marshalls or represent Marshalls should ensure that this Code is drawn to their attention. Marshalls expects such third parties to comply with this Code and with the applicable law relating to bribery.

• Marshalls reserves the right to terminate immediately any contract or business relationship with any agent, consultant, or other business intermediary where bribery has occurred.

4. Our Policies and Procedures

Marshalls has adopted policies and procedures intended to address the potential risk of bribery and corruption. These include:-

- The Group Procurement Policy Statement;
- The Code of Ethics;
- Guidance on hospitality and gifts, and the maintenance of a hospitality and gifts register;
- The Serious Concerns Policy.

These are regularly reviewed and updated, and should be read together with this Code. This Code and these policies can be accessed via the Marshalls intranet. The hospitality and gifts register is maintained at Birkby Grange (contact Gillian Harley/Jill Bedford).

Among our procedures to mitigate risk are the following:-

- Supplier and customer risk assessments;
- Training for employees and those working for Marshalls or representing Marshalls in a business capacity ;
- Written commitments from those we work with to engage with the principles in this Code.

5. Marshalls will work with its business partners worldwide to develop and improve good practice and to seek to eliminate bribery and corruption. It will select business partners who have adopted similar policies and objectives and will avoid doing business with those who act unlawfully or in a way that is not consistent with ethical business principles.

6. Monitoring and Compliance

• The Board of Marshalls plc has approved this Anti-Bribery Code and will set standards in relation to its principles and their application across the Marshalls Group.

• The Audit Committee of the Board will review procedures across the Group and will monitor their effectiveness.

• Designated individuals within each business area, together with the Company Secretary (who oversees day to day compliance) have responsibility for the implementation and development of such procedures.

• All employees have an obligation to comply with this Code and support and promote its principles in their business function.

7. Any employee having a question or concern in relation to this Code, the administration of Marshalls policies and procedures designed to prevent bribery, or any issue where guidance is sought on a particular set of circumstances may raise it with their line manager or the Company Secretary (Cathy Baxandall, Birkby Grange, Birkby Hall Road, Huddersfield HD2 2YA: Tel: 01484 438930: email cathy.baxandall@marshalls.co.uk)

8. Any employee who suspects that bribery has occurred or that there has been any other breach of this Code should report it in accordance with the procedure in the Serious Concerns Policy so that it can be formally investigated.

Adopted by the Board on 5 October 2011.
Graham Holden

Chief Executive Chairman

ANTI-CORRUPTION: TARGETS



ACHIEVEMENTS 2015

- Develop procurement for sustainability strategy which has anti-corruption measures woven throughout. ✓
- Develop and publish sustainable procurement guidance. ✓
- Ensure that this guidance is circulated to all suppliers. ✓
- Ensure that this guidance is made publicly available for all stakeholders. ✓
- Undertake a series of face-to-face briefing and workshops with key suppliers. ✓
- Communicate Marshalls Anti-Bribery policy internally and externally. ✓
- Review and develop anti-bribery processes and procedures. ✓

TARGETS 2016

- Continue to develop procurement for sustainability strategy which has anti-corruption measures woven throughout.
- Continue to develop and publish sustainable procurement guidance.
- Continue to ensure that this guidance is circulated to all suppliers.
- Continue to ensure that this guidance is made publicly available for all stakeholders.
- Continue to undertake a series of face-to-face briefing and workshops with key suppliers.
- Continue to communicate Marshalls Anti-Bribery policy internally and externally.
- Continue to review and develop anti-bribery processes and procedures.

BUSINESS IN THE COMMUNITY

Business in the Community is the Prince's Responsible Business Network.

BITC members work together to tackle a wide range of issues that are essential to creating a fairer society and a more sustainable future.

The BITC are a business-led charity with more than 30 years' experience of mobilising business. It engages thousands of businesses through our programmes driven through a core membership of more than 800 organisations from small enterprises to global corporations.



Working together to take action.

BITC offers a range of practical ways for businesses to work together and take action to help tackle some of the key issues facing society.

Environment

Using our natural resources more sustainably.

Employees

Ensuring that age, gender, health and race do not limit an employee's engagement and success in the workplace.

Education

Ensuring a young person's success at school and beyond is not determined by their social background.

Employment

Helping people overcome disadvantage by creating access to sustainable, good employment.

Enterprise

Creating jobs and vibrant communities by supporting small, local businesses.



BUSINESS IN THE COMMUNITY BUSINESS CLASS PROGRAMME

What is Business Class?

Many young people struggle to learn about employment opportunities available to them and develop the necessary skills and behaviour to access them. 30% of UK employers say a lack of skills contributes to unfilled vacancies.

Without good role models, high quality work experience and encouragement there is a huge risk that an ever increasing group of young people in the UK will fail to build successful working lives.



Students from Park Lane High School in Halifax

So why are we doing this?

For Marshalls, contributing to our local communities is an element of our commitment to our corporate social responsibility agenda. Externally, our brand is very much positioned around families including children so our involvement in the Business in the Community Business Class programme enables team members to connect with this agenda.

For employees, it's not just about giving something back outside of the company, but there is the opportunity for volunteers to share their expertise and equally develop new skills to bring back into their team. Many volunteers find this both personally fulfilling and it also enhances the skills and talents of our teams to continue to perform at their best.

So who is getting involved?

There are currently 10 sites/teams involved in the programme from Falkirk down to Sittingbourne.

What kinds of things are volunteers doing?

- Mentoring young people to help support career aspirations
- Bringing the curriculum to life such as learning about innovation from our marketing team and seeing our commercial products at West Lane
- Delivering talks on what employers are looking for such as good attendance and a positive attitude
- Preparing students for the world of work to take them through recruitment and practice interviews
- Supported work experience opportunities
- Run enterprise/engineering competitions such as designing a bollard

Adrian Briggs, Sales Office Manager – Marshalls Street Furniture, Business Class Mentor

“Over the last three years I have been involved with the mentoring programme and also ran a careers day at Park Lane High School, Halifax.

“Before the first meeting at the school I was apprehensive with how the programme would work and what it could achieve. I thought it may be difficult to gain the trust and enthusiasm of the children involved. However the initial meeting changed my views entirely. I find the enthusiasm and confidence in the children infectious and it has assisted me in the direction required. It's interesting to understand the children's ambitions and try to nurture those ambitions to become a realistic plan.

“The programme has improved each year with further sessions and structure and I'm sure this year will be very successful for both the children and the mentors.”

BUSINESS IN THE COMMUNITY



Newport works helps local students with employability skills

The team at Newport have signed up to a Business in the Community (BITC) partnership, working closely with and supporting their local school, Llanwern High.

Through the scheme, representatives from the site attended the school to deliver a presentation on Marshalls and offered a Year 12 class of Business Studies students the opportunity to apply for a theoretical position within Marshalls, either in Shop Floor Control and Planning, or as an Operative.

Job specifications were issued for the two roles, with a further follow up training session on employability, CV writing and good interview techniques.

All students were asked to submit a CV and covering letter. The students then attended the site for mock interviews with the management team, including Production Team Leaders Steve Matthews, Matthew Cooper and John Jarvis, Process Improvements Co-coordinator, David Shefford, and Technology and Performance Manager, Paul Edwards.

The successful candidate, Katie, shone in her interview. She now has the opportunity to carry out a week's work experience placement at the site where she will gain invaluable experience.

The applicants, teachers, headteacher and the business manager from the school commented on the benefits of the process. All candidates have received full and honest feedback from their CVs and the interviews, which will enable them to make the relevant improvements to their application process in the future.

Many thanks to the site's management team for their involvement and dedication to the process.

BUSINESS IN THE COMMUNITY

Enterprise Business Challenge helps young people to become future business leaders

A team of students from Halifax mentored by employees from Marshalls were invited to compete in the regional finals of the Business in the Community (BITC) Mosaic Enterprise Business Challenge in March, after being placed among the top five highest scoring schools in the West Yorkshire region.

The Mosaic Enterprise Challenge is a national competition for secondary school students across the UK, designed to develop and encourage their entrepreneurial skills.

The competition began in January 2015 and involved four teams of five students from both Park Lane Learning Trust and Crossley Heath School in Halifax. The year 10 students from the local schools were led by mentors from Marshalls - Donna Garside, Adrian Briggs, Clare Chapman and Andy Ackroyd.

The mentoring scheme allows the students to learn about becoming future business leaders, play a simulation game and come up with fantastic business ideas.

For the enterprise challenge they had to create and present a business idea in the style of Dragon's Den in front of five judges. This included financial reports, sales and marketing budgets and ethical trading. The team from Crossley Heath performed extremely well and managed to obtain second place.

Clare Chapman a mentor from Marshalls said: "After receiving an email about the mentoring scheme I knew that it was something I wanted to be part of. For me taking part in the mentoring scheme was not just about my own personal development, but about the opportunity to be involved in the growth and development of a young adult.

"Since starting the programme I have found the mentoring scheme rewarding and challenging. Working so closely with a student enables you to develop a valuable relationship with them and I feel very privileged to have been given the opportunity to do so. It's amazing to know that sharing your experience and knowledge could help change someone's perspective on the decisions they make and how this might affect their future.

"Over the course of a number of weeks I have watched as the students have made decisions (good and bad) and worked together as a team to achieve a common goal. I challenged them to do better and was rewarded by the fact my team have made it through to the Regional Finals! I am incredibly proud of their achievement."

Watch out next year, we intend to bring home the trophy!



BEST COMPANIES SURVEY – A FANTASTIC RESPONSE AND A GREAT RESULT



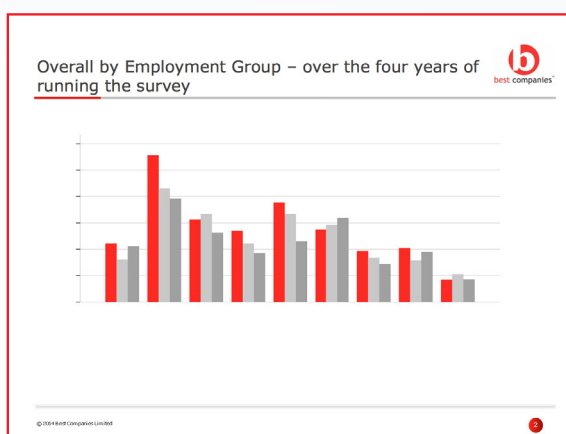
Susie Fehr
Group HR Director

Engaged organisations have strong and authentic values and stand by them. They demonstrate clear evidence of trust and fairness based on mutual respect, where two-way promises and commitments – between employees and managers – are understood and acted upon. They may also have lower accident levels, higher productivity, few conflicts, lower turnover and reduced sickness levels.

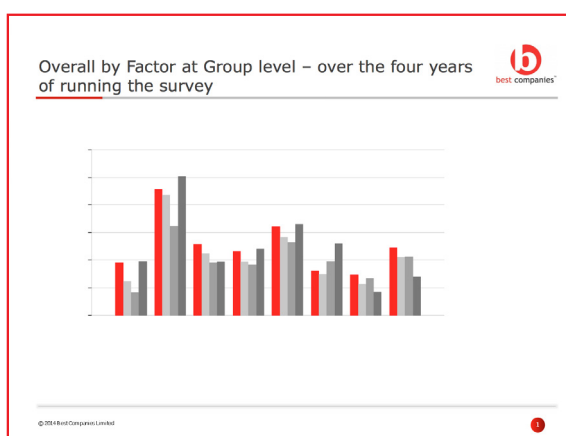
What does this mean? It's about unlocking people's potential at work. It's about retaining and building on the commitment, energy and desire to do a good job that the majority of people want to do. It's both about the environment in which we work and the way people talk to each other. It's about how people connect, and how connected they feel to each other and the company. It's the company's responsibility to put in place the conditions in which employees can thrive and to listen when things aren't working out as they should. It's the employees' responsibility to speak up and suggest solutions....a two-way street....a place where responsibility is shared.

Above all, it's a place in which we are proud to work, in which we feel that we are involved, have influence over our futures, have a stake in shared future success and truly believe in our organisation's mission. Where we belong.

Reminder of this year's Best Companies scores



Marshalls Continuing Mission is to Deliver Sustainable Growth through a Brand that Drives Customer Specification of Innovative Product Solutions for the Built Environment



BEST COMPANIES UPDATE AND OUR EMPLOYEE ENGAGEMENT PRIORITIES FOR 2014

Marshalls continues to focus closely on the established values of leadership, excellence, trust and sustainability and to build these into all of its activities, involving employees. We are firmly focused on encouraging all staff, no matter where they are based, to collaborate in all aspects, whether on work issues or as part of the Group's "Giving Back" programme, which continues to be a growing activity. The Group has raised a substantial amount for good causes during 2015. In 2016 our focus will be to support Prostate Cancer UK. For the second year Marshalls is proud to be a "Living Wage Employer", underscoring its commitment to employees. In September 2015 we launched our employee Sharesave scheme, which enabled employees to save a fixed amount for a period of 3 years in order to buy discounted shares at a set price. The Sharesave offer was well received, with more than 900 employees (representing 46 per cent of the eligible workforce) applying to participate. This demonstrates a significant level of confidence on the part of our employees in Marshalls' future. We welcome and give full and fair consideration to applications from individuals with recognised disabilities to ensure they have equal opportunity for employment and development in our business. Wherever practicable we offer training and make adjustments to ensure disabled employees are not disadvantaged in the workplace. We also remain committed to employing a diverse workforce and, in particular, encouraging more women to enter what has traditionally been a highly male-dominated workplace. Janet Ashdown joined Marshalls plc during 2015 as a Non-Executive Director.

At the end of 2015 our workforce comprised 2,292 employees with the following gender balance:

	Male	Female
Total workforce	84%	16%
Senior managers	87%	13%
Directors	83%	17%

Employee engagement In 2015 we participated, for the fifth successive year, in the Best Companies Workplace Engagement Survey, with over 85 per cent of employees taking part (an increase from 75 per cent in 2014). The Group also saw a positive increase in its Best Companies Index Engagement Score and we maintained our "One to Watch" status. We are working on detailed implementation plans that will address key focus areas that have arisen from the survey. These include "Fair Deal," "Giving Something Back," "Wellbeing," "Communications" and "Personal Growth." During 2016 we have a scheduled plan of monthly activities, covering "Wellbeing" and "Giving Something Back," which will enable employees both to improve their personal health and contribute to both our corporate charity partner, Prostate Cancer UK, and local causes. Company-sponsored social activities range from encouraging employees to take part in Sport Relief to a national "Walk This Way" campaign. The survey results are cascaded throughout all levels of the organisation, ensuring everybody understands the feedback. Employees

are actively encouraged to take part during the planning stages, which will establish agreed actions to improve our employee engagement during the year ahead. Communication with our employees on matters of concern to them is done in face-to-face briefings, via monthly newsletters, site notice boards and our Group intranet. We operate a structured consultation process in relation to pay and employment terms. Employee development We have identified a number of priorities across all aspects of the employee life cycle, from attraction and recruitment to personal growth and career progression. The introduction of a new centralised HR information system during 2015 has improved the quality of the Group's employee data metrics, which will be used to improve medium to long-term talent recognition and people development, the wider adoption of shared best practice across our business and the introduction of new cohesive initiatives.

2015 Wellbeing Campaigns

February: Heart Disease Awareness month
May: National Walking Month
June: Men's Health Week
July/August: Sun Awareness
September: Know your numbers, Blood pressure
October: Leukaemia



LONG SERVICE



Celebrating long service

This year's long service awards presentation took place at Oulton Hall, Leeds to celebrate the commitment and hard work of employees who have been with the company for 25 years.

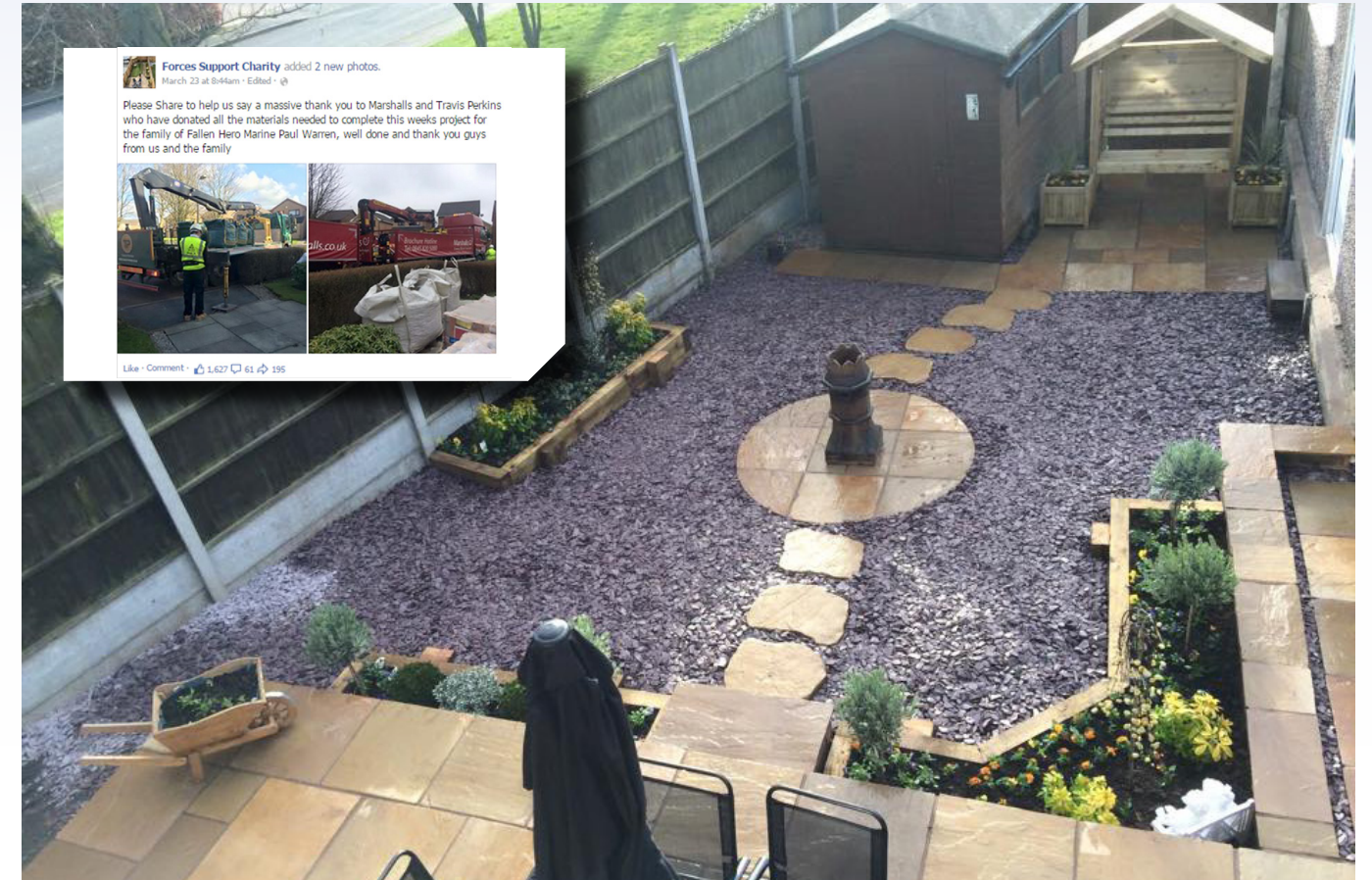
The 31 employees have accumulated 775 years of service between them and were presented with a gift of their choice and certificate by Chief Executive Martyn Coffey.

Three employees generously decided to give something back and donate their gifted money to charity. Michael Moscrop, from Ramsbottom donated his money to Marie Curie Cancer Care, Paul Gardner from Ramsbottom gave his to MIND mental health, and Alexander Brown from Falkirk donated his to the Children's Hospice Association Scotland.

Chief Executive Martyn Coffey said: "It's so important for us to celebrate long service as these individuals have contributed so much to the success of this business over the last quarter of a Century, their experience is truly invaluable. I'd like to take this opportunity to thank them for all their hard work and dedication, and I hope they remain with the business for many more years to come."



SPECIAL GARDEN MAKEOVER



Ramsbottom out in full force for special garden makeover

Ramsbottom works helped The Forces Support Charity with materials for a special garden makeover for the family of fallen hero Marine Paul Warren.

The garden makeover for the family near Preston, was organised by the charity which provides general maintenance around the home and garden for families who have lost their loved ones in conflict.

The site kindly donated and delivered materials including Indian sandstone, Plum Slate chippings and Yorkstone stepping stones to make the garden build possible. Special thanks to Colin Hunter and Ian Counsell for their help at short notice, ensuring the products were delivered on time.

The charity has since thanked Marshalls on Facebook for our support.



TRAINING & DEVELOPMENT

Marshalls is committed to Investors in People and to supporting employees through NVQ accreditation.

Modern Apprentice

Alan Sugar’s apprentices may currently be the stars of the silver screen, but here at Marshalls we have our very own!

Cameron Atwal for the past year has been undertaking a full-time apprenticeship at MSU whilst simultaneously studying for his Business and Admin NVQ in association with Barnsley College.

Cameron is the first apprentice that Marshalls has taken on, and his colleagues at MSU couldn’t sing his praises more.

Kath Lawton, Admin Assistant, said: “Cameron really gets on well with everyone here, and has been spending time working across lots of different areas, such as samples and purchase ordering, as well as managing his own accounts.

“He’s done a brilliant job, as well as working hard to fit in his coursework alongside being here full time.”

Cameron has one more year of studying left before he gains his Level 3 qualification this time next year, but after he finishes his studies he would like to further his career at Marshalls.

He said: “It’s been a great experience and I’ve certainly learned a lot, and after I finish I’d like to stay on and continue to learn more. Everyone here is great.”

Paula Hird, Admin team Leader, said: “It’s a pleasure having Cameron here with us; he’s worked really hard and gets on well with everyone. Apprenticeships are such a great way for young people to study whilst also gaining real-world experience in a working environment.

“Hopefully Cameron can lead an example, and Marshalls can continue to take on more apprentices.”

Congratulations on completing your first year Cameron, and good luck with your further studies!



Brian Tait named best candidate in NEBOSH National Diploma

After achieving a distinction in his NEBOSH National Diploma in Occupational Health and Safety, Brian Tait, SHEQ Compliance Manager at Marshalls North Shields was invited to his graduation ceremony as a VIP where he was presented with the Best Overall Candidate award.

Brian’s achievement was recognised at the annual graduation and awards ceremony, held at the University of Warwick on 22nd June.

Brian said: “The diploma has provided me with the tools and framework to drive change within Marshalls and has been a real assistance in my role.

“To receive this award is a great personal achievement as the qualification is highly

regarded within the industry.”

Dr. Michael Deary, who is responsible for NEBOSH programmes in the Department of Geography, said: “All of the teaching team are absolutely delighted that Brian has been given these two awards.

“To achieve the top overall mark from over 400 candidates is an outstanding achievement and reflects the enormous amount of hard work and dedication that Brian has put into his studies.”

The NEBOSH National Diploma is the flagship NEBOSH award and is the first UK vocational qualification to be developed specifically for health and safety professionals.

Many congratulations to Brian.

HEALTH & SAFETY

Our internal Safety, Health & Incident Prevention (SHIP) teams consist of employee representatives and managers and are the cornerstone of the safety management system at site level.

The SHIP teams meet regularly to support and develop our safety programme. Marshalls’ operating sites have been progressively implementing Integrated Management Registration systems accredited by the British Standard Institution incorporating the Occupational Health and Safety Accreditation Standard 18001-2007; at

the end of 2014 all but one site held this accreditation. The organisation’s Health & Safety Policy sets out the principles regarding the health and safety of employees and performance is monitored by the Board on a monthly basis.

Marshalls remains committed to meeting the highest safety standards for all its employees, reinforcing and developing its safety processes, and developing a competent workforce with a view to achieving long-term improvement gains, and this remains a key priority for the business.

Achievement of annual health and safety improvement targets is directly linked to the remuneration of the Executive Directors and senior management, as explained in the Remuneration Report.

Our Safety, Health and Incident Prevention (“SHIP”) teams, consisting of employee representatives and managers, are the cornerstone of the safety management system at site level and meet regularly to support and develop our safety programme and objectives. The Group’s operating sites have been progressively implementing integrated management registration systems accredited by BSI, incorporating accreditation to OHSAS (Occupational Health and Safety Accreditation Standard) 18001:2007. At the end of 2015 all UK operational sites within the Group held a BS OHSAS (18001:2007) registration.

The headline target for 2015 was a 10 per cent reduction in days lost resulting from workplace incidents against 2014. The actual reductions achieved were: — 43.2 per cent reduction in days lost resulting from workplace incidents; — 17.4 per cent reduction in all incident frequency rate; — 29.2 per cent reduction in lost time incident (“LTI”) frequency rate; and — 51.5 per cent reduction in rate of incidents reportable to the HSE under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (“RIDDOR”).

During 2015, the Group has invested additional resources in health and safety awareness training through its “Visible Felt Leadership” initiative, which has now been delivered to all managers and supervisory staff. The industry leading fleet safety standards were recognised at the 2015 Chartered Institute of Logistics and Transport Awards for Excellence with Marshalls winning the prestigious “Safety” category. Marshalls was also the winner in both the “Engineering Initiatives” and the “Behavioural Safety, Safety Culture and Leadership” categories at the Mineral Products Association’s 2015 Health and Safety Awards.

The table below shows the KPIs used by the Group to monitor performance, and progress against those KPIs over the last 5 years.

Accident frequency and severity rates (per 1 million hours worked)*	2011	2012	2013	2014	2015
All accidents	83.2	69.5	65.6	59.1	48.8
All lost time accidents	15.5	14.0	12.2	7.2	5.1
All RIDDORs	8.1	6.1	3.6	3.3	1.6
All days lost	204.4	134.5	114.6	80.7	45.8
Average UK headcount	2,456	2,252	2,055	2,132	2,237

* To align our accident statistics with those of the Mineral Products Association our base unit of measurement has changed to 1 million hours worked. Previous years’ results have been amended to reflect this change.

AWARD SUCCESS

Demonstrating a commitment to sustainability at St Ives works



From Left to Right - Andrew Minson, Executive Director of BPCF, Bob Macdonald, Engineering Manager St Ives, Andrew Grinrod, Works Engineer and Briston Spencer, Operations Manager St Ives

Marshalls St Ives works has received a highly commended award for sustainability at the 2015 British Precast Annual awards.

The ceremony was held on 24th June at the Leicester Marriott Hotel. Supported by CEMEX, the dinner brought the industry together for an evening of entertainment and the presentation of the prestigious Best Practice Awards.

The award recognised a project which had resulted in compressed air energy reduction across the St Ives site. The project helped improve measurement of air and the site replaced several systems and continued to improve leaks. This allowed the site to replace old compressors with smaller new efficient ones and reduce pressure in the system by 50%.

Award success at Sandy & St Ives

Team leaders and shift managers at Sandy and St Ives works have received their Institute of Leadership & Management (ILM) Level 3 award certificates this month.



Pictured above from left to right; Mark Chapman, Paul Gibson, Steve Gaylor, Richard Payne, Colin Chapman, Ian Payne and Chris Annis.

Congratulations to Paul Gibson, Steve Gaylor, Richard Payne, Colin Chapman and Ian Payne having received their certification from Chris Annis Business Unit Manager Marshalls Sandy & St Ives and Mark Chapman Operations Manager Marshalls Sandy Works.



Pictured above from left to right; Mark Chapman, Paul Gibson, Steve Gaylor, Richard Payne, Colin Chapman, Ian Payne and Chris Annis.

Congratulations to Andrew Grindrod, Richard Wilkinson and Darren Humphreys having received their certification from Briston Spencer Operations Manager Marshalls St Ives and Chris Annis Business Unit Manager Sandy & St Ives.



Picture from Left to right:- Lee Rippon, Briston Spencer and Erwin Hope

Congratulations to Lee Rippon and Erwin Hope having received their certification from Briston Spencer Operations Manager Marshalls St Ives.

CELEBRATING RESPONSIBLE BUSINESS EXCELLENCE

We received two accolades at the Yorkshire and Humber Responsible Business Awards for our global development and sustainability activities and for making a difference in the local community.

The awards ceremony was hosted by Business in the Community (BITC) which is celebrating the 30th anniversary of Prince Charles' presidency.

At the packed event at Bradford's Cedar Court Hotel, we received the shortlisted award for Unilever Global Development, supported by Business Fights Poverty for our work with the supply chain programme in India. The programme has made a positive impact on its suppliers and improved the lives of quarry workers and their families in Rajasthan, India.

Marshalls was also recognised for making a difference in the local community, receiving a highly commended award for outstanding contribution to employee volunteering. Halifax employees raised a fantastic £17,000 for Overgate Hospice in Elland last year through a sponsored walk to remember their dear colleague Martin Lewis. This was matched pound-for-pound by the company.

David Morrell, Head of Sustainability said: *"Receiving the Global Development award was a testament to many years of hard work by the whole team and we picked up the employee volunteering award on behalf of all our Halifax employees who put their best foot forward for a local charity close to their hearts."*

"The event offered an opportunity for us to see all the fantastic things Yorkshire businesses are doing in their communities which has motivated us to do more in the future."

Speaking via a video message at the dinner, HRH The Prince of Wales, President of BITC, said: *"The Responsible Business Awards are always such a personal highlight for me each year, because they provide an important opportunity to celebrate business at its best and to showcase practical examples of how it is helping to build a more harmonious society and a more sustainable future."*

"These awards are therefore vital as a way of inspiring other businesses to follow this lead."

Liz Needleman, Area Director England East, BITC, said: *"The annual Responsible Business Awards celebrate those companies making a difference in communities, schools and within their own organisations. Many have created their own fantastic initiatives which have a positive impact on the employees who deliver them, and the people or project they are helping."*



Above: Kath Myers, MD at Barclays presents the Responsible Business award for 'Global Development' to Chris Frankland, Marshalls' International Marketing Manager and David Morrell, Head of Sustainability at Marshalls.



Above: David Morrell accepts the 'Employee Volunteering' award.

THIRD PARTY RECOGNITION AND AWARDS

Recognition as a responsible business

Marshalls has been shortlisted in the 2015 Business in the Community Responsible Business awards, recognised in the Unilever Global Development category for our programme of work with our supply chain in India.

The Responsible Business awards is the most prestigious and respected awards championing responsible business in the UK and abroad. It celebrates inspirational companies that are taking action to address social and environmental issues and transform their communities.

The awards celebrate the variety of ways that businesses are making a difference – from investing in the wellbeing of employees, to helping young people

develop skills, or supporting small businesses to grow. 145 companies have been shortlisted in total across the UK, in 13 award categories.

Chris Harrop, Group Marketing Director said: "We are immensely proud to have been shortlisted for the Unilever Global Development Award. We have been working hard in India for nearly eight years to ensure an ethical supply chain, focussing on health and safety and human rights, with a particular focus on children's rights. It is also our mission to educate customers and other stakeholders about the need to eradicate child labour from supply chains."

Stephen Howard, Chief Executive, Business in the Community said: "We congratulate Marshalls for playing its part in creating a fairer society and more sustainable future.

The shortlisted businesses publically demonstrate that business has a greater purpose than simply generating profit and are a great example to others."

All shortlisted companies will be celebrated through a series of Responsible Business Gala events taking place across the UK in June.



THIRD PARTY RECOGNITION AND AWARDS



Celebrating our 'One to Watch' Best Companies status

Best Companies has accredited Marshalls as a 'One to Watch' company. Here's CEO Martyn Coffey and our Employee Engagement Manager, Samantha Munkley with our Best Companies plaque.

The accreditation standard has been running since 2006 to acknowledge excellence in the workplace. Accreditation is a focus on workplace engagement as an integral component of an organisation's success and growth.

Left: Martyn Coffey, CEO and Employee Engagement Manager, Samantha Munkley

Fair Tax

Marshalls has been announced as the latest company to be awarded the Fair Tax Mark.

This accreditation is awarded to businesses, big or small, who display a transparency in their tax affairs, and who are proud to state the fact they are good tax payers.

We are the latest FTSE250 business to be awarded the mark, along with being the first company in our sector.

Jack Clarke, Group Finance Director of Marshalls Group, said: "We viewed the Fair Tax scheme as a natural step for Marshalls, as the Group's tax philosophy has long been closely aligned with the Fair Tax Mark's objectives. We aim to achieve transparency and we hope the Group's formalisation of a tax policy will reassure all our stakeholders that we are a responsible company."

He added: "As a socially responsible organisation we are pleased that Marshalls' tax policy, together with our tax disclosures, have led to the Group being awarded the Fair Tax Mark."



Meesha Nehru, Programme Director of the Fair Tax Mark says: "We are delighted to have worked with Marshalls on the award of their Fair Tax Mark. To achieve accreditation Marshalls demonstrated that it pays the right amount of tax at the right time in the right place, does not use tax havens and is willing to go above and beyond to make itself more transparent and accountable to the UK public."

"It's refreshing when a FTSE250 listed company chooses a responsible approach to tax. We congratulate Marshalls and call on others to follow their lead."

THIRD PARTY RECOGNITION AND AWARDS

Independent third party scrutiny and verification is a key component to Marshalls’ approach to business, as is award recognition from external bodies. It is of great importance to Marshalls that the awards entered both showcase and challenge the company’s pioneering approach.



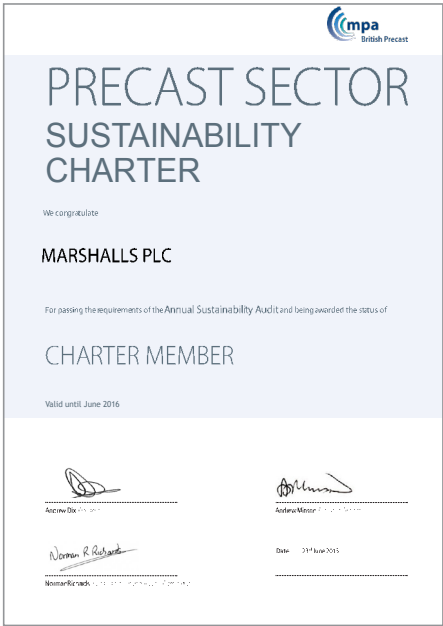
Building Confidence Accreditation



Carbon Trust Certificate of Achievement



bsi Certificate of Registration



Precast Sustainability Charter Certificate

COP FEEDBACK

Auditing

In the past, Marshalls has worked with generally recognised auditors for its work in India. Whilst working in India however, Marshalls found it really needed to work with auditors with specialist knowledge of trade unions and ILO (International Labour Organisation) standards. The auditing process for Marshalls is not just about hitting the baseline and doing the minimum, it’s about going the extra mile and ensuring the process is as thorough and rigorous as possible. Marshalls’ supply chain strategy follows the ETI Base Code, which is based on the International Labour Organisation’s Conventions. In embedding the Base Code in the supply chain Marshalls has implemented processes to ensure compliance and improvement.

Marshalls employs full time social auditors in both India and China. Working on the ground alongside quarry & factory owners, managers, workers, unions and non-governmental organisations, the auditor ensures all areas of the ETI Base Code are upheld.

Marshalls works with Just Solutions in order to gain a consistent approach to auditing its supplier network and ensure supply chains remain ethical and best practice is shared where possible. Led by expert supply chain auditing specialist Stirling Smith, Just Solutions is an SAI listed consultant who works to develop and extend the SA8000 standard and the ETI Base Code. The company relies upon the hard core of convinced companies to engage stakeholders and professionals together in an agreed programme.

Audits are carried out at least annually, by a two-person team over two days. A qualified Marshalls assessor goes to India and China five to six times a year to audit informally. If non-compliance is found, an action plan is agreed to ensure rectification takes place and this is followed up by an external audit.

Accreditation

Marshalls only works with reputable and reliable suppliers in terms of accreditation.

Ongoing Stakeholder Consultation

Marshalls would like to thank all of its stakeholders who had input into this third UNGC Communication on Progress, namely Marshalls’ employees, customers, suppliers, partners and NGOs.

2016 COP Feedback Survey

As a valued stakeholder Marshalls would very much appreciate your feedback and comments on its 2015 Communication on Progress (COP.) You may be aware that Marshalls became a signatory of the UNGC in January 2009. Our commitment to the UNGC requires that we submit an annual COP to the UN office in New York. This and all other COPs can be found in at www.marshalls.co.uk/sustainability/publications

Our 2009 COP received a ‘notable’ status from the UNGC, an acknowledgement made to only a small percentage of signatories. We will make this 2014 COP’s available for UNGC UK Network peer review again this year. We are particularly keen to gain frank feedback from a range of our stakeholders as we further engage in a drive for corporate sustainability leadership throughout 2016 and beyond.

If you wish to take part in our COP feedback survey please email: elaine.mitchel-hill@marshalls.co.uk

GRI PERFORMANCE INDICATORS

GRI Indicator	Indicator Description
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.
EC3	Coverage of the organisations defined benefits plan obligations.
EN8	Total water withdrawal by source.
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.
EN22	Total weight of waste by type and disposal method.
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.
LA4	Percentage of employees covered by collective bargaining agreements.
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour.
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour.
HR10	Percentage and total number of operations that have been subjected to human rights reviews and/or impact assessments.

UNGC Commitment Indicators

GRI 3.1 Disclosure		UNGC COP Element Addressed
Strategy and Analysis	Profile Disclosure 1.1 – Statement from the most senior decision-maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy	Statement of Continuing Support
Organisational Profile	Profile Disclosure 2.1 – Name of the organization Profile Disclosure 2.2 – Primary brands, products, and/or services Profile Disclosure 2.3 – Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures Profile Disclosure 2.4 – Location of organization's headquarters Profile Disclosure 2.5 – Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report Profile Disclosure 2.6 – Nature of ownership and legal form Profile Disclosure 2.7 – Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries) Profile Disclosure 2.8 – Scale of the reporting organization Profile Disclosure 2.9 – Significant changes during the reporting period regarding size, structure, or ownership Profile Disclosure 2.10 – Awards received in the reporting period	No Specific COP Requirement
	Profile Disclosure 3.1 – Reporting period (e.g., fiscal/calendar year) for information provided Profile Disclosure 3.2 – Date of most recent previous report (if any) Profile Disclosure 3.3 – Reporting cycle (annual, biennial, etc.) Profile Disclosure 3.4 – Contact point for questions regarding the report or its contents Profile Disclosure 3.5 – Process for defining report content Profile Disclosure 3.6 – Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers) Profile Disclosure 3.7 – State any specific limitations on the scope or boundary of the report Profile Disclosure 3.8 – Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations Profile Disclosure 3.10 – Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement Profile Disclosure 3.11 – Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	No Specific COP Requirement

GRI PERFORMANCE INDICATORS

GRI 3.1 Disclosure		UNGC COP Element Addressed
Governance, Commitments and Engagement	Profile Disclosure 4.1 – Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight Profile Disclosure 4.2 – Indicate whether the Chair of the highest governance body is also an executive officer Profile Disclosure 4.3 – For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members Profile Disclosure 4.4 – Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	Actions Taken to Implement Principles 1-10
Governance, Commitments and Engagement	Profile Disclosure 4.14 – List of stakeholder groups engaged by the organization Profile Disclosure 4.15 – Basis for identification and selection of stakeholders with whom to engage	Sharing the COP with the Company's Stakeholders
Economic	Disclosure on Management Approach – Economic Provide a concise disclosure on the following Management Approach items: goals and performance; policy; additional contextual information.	Actions Taken to Implement Principles 1, 4, 6 and 7
	EC1 – Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	No Specific COP Requirement
	EC3 – Coverage of the organization's defined benefit plan obligations	No Specific COP Requirement
Environmental	Disclosure on Management Approach – Environmental Provide a concise disclosure on the following Management Approach items: goals and performance; policy; organisational responsibility; training and awareness; monitoring and follow-up; additional contextual information.	Actions Taken to Implement Principles 7, 8 and 9
	EN8 – Total water withdrawal by source	Outcomes from Implementing Principle 8
	EN18 – Initiatives to reduce greenhouse gas emissions and reductions achieved	Actions Taken and Outcomes from Implementing Principles 7, 8 and 9
	EN22 – Total weight of waste by type and disposal method	Outcomes from Implementing Principle 8
Labor Practices and Decent Work	Disclosure on Management Approach – Labour Practices and Decent Work Provide a concise disclosure on the following Management Approach items: goals and performance; policy; organisational responsibility; training and awareness; monitoring and follow-up; additional contextual information.	Actions Taken to Implement Principles 1, 3 and 6
	LA1 – Total workforce by employment type, employment contract, and region	No Specific COP Requirement
	LA4 – Percentage of employees covered by collective bargaining agreements	Outcomes from Implementing Principles 1 and 3
Human Rights	Disclosure on Management Approach – Human Rights Provide a concise disclosure on the following Management Approach items: goals and performance; policy; organisational responsibility; training and awareness; monitoring and follow-up; additional contextual information.	Actions Taken to Implement Principles 1, 2, 3, 4, 5 and 6
	HR6 – Operations identified as having significant risk for incidents of child labour and measures to contribute to eliminate child labour	Actions Taken to Implement Principles 1, 2 and 5
	HR7 – Operations identified as having significant risk for incidents of forced or compulsory labour and measures to contribute to the elimination of forced or compulsory labour	Actions Taken to Implement Principles 1, 2 and 4
	HR10 - Percentage and total number of operations that have been subjected to human rights reviews and/or impact assessments.	Actions Taken to Implement Principles 1, 2, 4 and 5.



Marshalls

Creating Better Spaces

For more information on Marshalls,
visit www.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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