



PLAN A REPORT 2015

M&S

EST. 1884

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marksandspencer.com

Plan A 2020 online
plana.marksandspencer.com
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M&S reporting
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M&S OVERVIEW

About M&S Marks & Spencer is a global, multi-channel retailer of mainly own brand high-quality, great value food, clothing and home products. There are over 1,300 M&S stores worldwide and we employ 83,000 people. Our values are: Inspiration, Innovation, Integrity and In Touch.

Marks & Spencer is listed on the London Stock Exchange and our principal trade associations are Eurocommerce, Confederation of British Industry and the British Retail Consortium. We are also a member of the World Economic Forum and the Consumer Goods Forum.

GROUP REVENUE

£10.3bn +0.4%

UNDERLYING GROUP PROFIT BEFORE TAX

£661.2m +6.1%

GROUP PROFIT BEFORE TAX

£600.0m +3.4%

EMPLOYEES WORLDWIDE

83,069 **77%**
ENGAGEMENT SCORE

NUMBER OF SUPPLIERS GLOBALLY

3,000

CO₂ EMISSIONS NET

0 tonnes

GROSS

592,000 tonnes +4%

PER 1,000 SQ FT

30 tonnes level

OUR SUSTAINABLE VALUE CREATION MODEL

PLAN A 2020

OUR RESOURCES & RELATIONSHIPS

FINANCIAL

Generating stakeholder returns through effective management of our financial resources

MANUFACTURED

Maintaining our channels and supply chain infrastructure to meet customer demand

INTELLECTUAL

Strengthening our brand through creation and protection of our intellectual properties



OUR RESOURCES & RELATIONSHIPS

NATURAL

Sourcing responsibly and using natural resources efficiently

SOCIAL & RELATIONSHIP

Building and nurturing relationships with our customers and suppliers, and in the communities in which we operate

HUMAN

Developing people and their knowledge

THE M&S DIFFERENCE

+ See more about our Value Creation Model in our 2015 Annual Report

Front cover image

The UK's largest single roof mounted solar panel array being installed at our Castle Donington warehouse. Generating electricity since February 2015.

CHIEF EXECUTIVE'S INTRODUCTION

FOCUSED ON DELIVERING



We have achieved a step change in our contribution to the **wider sustainable business movement** this year.

MARC BOLLAND CHIEF EXECUTIVE

In June 2014, we set out on the third stage of our Plan A journey. We launched Plan A 2020, which reflects our determination to put sustainability at the heart of our brand and corporate strategy.

During the past 12 months we've focused on implementing this new plan, with our progress explained in this report. It covers our new Plan A 2020 commitments as well as earlier targets set in 2010, many of which end in 2015. In 2010, we also declared our intention to become the world's most sustainable major retailer by 2015. This ambition has spurred on our efforts and we've made good progress, which has been recognised by more than 220 sustainability awards. But we realise that becoming the world's most sustainable major retailer was never going to be down to a single measurement or even several measurements. It's a state of mind, an ambition to be restless in our aim to improve things for the better.

REFRESHING OUR BRAND

During 2014, we reviewed and refreshed the Marks & Spencer brand. It has evolved over 130 years, and we have never been afraid to update it to stay relevant in a changing world. We have defined a compelling brand purpose, Enhancing lives, Every day, supported by four brand values of Inspiration, Innovation, Integrity and In Touch. Our purpose and values are integral to Plan A 2020. They give us the clarity we need to successfully engage our customers in sustainability.

LEADING WITH OTHERS

Plan A has taught us that we can achieve more when we work with like-minded business partners, charities, NGOs, academic bodies, governments and community groups.

We have achieved a step change in our contribution to the wider sustainable business movement this year. Through the Consumer Goods Forum and World Economic Forum, we have actively supported global progress on deforestation, refrigeration, the circular economy, youth unemployment and engaging the 'millennial' generation with sustainable consumption.

There are further opportunities through these collaborations to support the UN's new Sustainable Development Goals and help to achieve a strong agreement at the COP21 Conference on climate change, which takes place in Paris in December 2015.

STAYING ON PLAN

It is important that we regularly remind ourselves that Plan A matters, because it maps out our route to sustainable success as a truly multi-channel international retailer, enabling us to fulfil our core purpose by Enhancing lives, Every day.

MARC BOLLAND CHIEF EXECUTIVE

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PLAN A 2020 OVERVIEW

IMPLEMENTING PLAN A 2020



Plan A is a business plan, designed to equip us for a future in which our success in staying relevant for customers will depend on our ability to **deliver exceptional products and services** in a world that's increasingly resource constrained and experiencing profound social change.

MIKE BARRY DIRECTOR OF PLAN A

Plan A is distinctive in a number of ways, but I believe its defining characteristic is its breadth. During the past eight years, it has delivered tangible improvements across every social and environmental issue we face and created associated business value.

This year has been no different. We've Achieved 47 commitments, with 39 On plan. And, as with any plan that addresses such a wide range of impacts, we've also had our challenges, with 9 Not achieved and 2 Behind plan. The highlights are featured in the next section of the Report.

SETTING CLEAR PRIORITIES

When we introduced Plan A 2020, we said that engagement would be key to its success. It's relatively easy to engage opinion formers, who are limited in number, but it's impossible to bring all 100 commitments alive for our millions of customers and 83,000 colleagues. We've selected a sub-set to focus on:

- 1 Engaging our customers
- 2 Scaling up sustainability through business partnerships
- 3 Leading a Movement to Work to tackle youth unemployment
- 4 Rolling Plan A out internationally
- 5 Making Plan A feel relevant locally
- 6 Launching a Global Community Programme in our supply chains
- 7 Driving Plan A attributes in our products
- 8 Being a retail leader on transparency
- 9 Putting circular economy into practice
- 10 Delivering zero carbon operations

WHAT PLAN A MEANS FOR US

Plan A is a business plan, designed to equip us for a future in which our success in staying relevant for our customers will depend on delivering exceptional products and services in a world that's increasingly resource constrained and experiencing profound social change. To stay relevant, we will have to enhance our customers' lives in ways that are transparent, economically self-perpetuating, circular, and based on the sustainable use of resources.

KEY RESOURCES AND RELATIONSHIPS

We've built a unique retail business model. Almost all the products and services we sell carry the M&S name (approximately 98%) and are sold in M&S shops or on M&S websites. We must take responsibility for these products. We cannot hide behind others' brands. This means we are well placed to make a consistent, reassuring brand promise to all our customers, that we are Enhancing lives, Every day, and to live up to this promise fully in every aspect of the products we sell, from initial design right through to their final disposal after use. This unique business model gives us a great opportunity to lead in evolving more sustainable retail – if we put the right resources and relationships in place.

The right resources mean: a leadership team committed to Plan A being at the heart of our corporate strategy; and the support of many thousands of colleagues, working hard to integrate Plan A into their day job. It also requires investment to deliver market-leading change, in ways that add measurable business value and are controlled by strong governance, transparent reporting and credible assurance.

The right relationships mean working with many different partners: NGOs (WWF, Oxfam, UNICEF, Forum for the Future and many others); business organisations including Business in the Community (BitC), World Economic Forum (WEF) and Consumer Goods Forum (CGF), government departments (including DFID, DEFRA and DECC) our business partners; and the local communities in which our stores are situated and our goods and services sourced. We must work with them all in order to deliver a truly sustainable M&S.

DOING MORE AND DOING BETTER

We report transparently on our progress towards our Plan A goals, including any targets we miss. Sometimes we fall short because these targets are unrealistic, or compromised by changes in our business. These failures don't worry us too much, because they're few and far between, the inevitable consequences of running a change programme that impacts on every action we take and every resource we use.

We're more concerned about our failure to meet commitments that are crucial to our long-term sustainable goals. Thankfully, we've only really experienced one such failure over the past eight years – customer engagement in Plan A. There are credible explanations for this but we know we need to crack the problem, and we now believe we're close to doing so. We believe we have a proposition that will engage our customers and a detailed plan that will soon be actioned.

SOME HIGHLIGHTS OF THE YEAR

47

PLAN A 2020
COMMITMENTS ACHIEVED

70%

OF M&S OPERATED LOCATIONS
IN THE UK AND ROI HAVE
ADOPTED A LOCAL CHARITY
OF THE YEAR

5,000

PAID VOLUNTEER DAYS
TAKEN BY M&S EMPLOYEES
IN 2014/15

LOOKING BEYOND 2015

Looking and thinking beyond 2015, marketing is at the top of our To Do List for next year, and is closely linked to another challenge – increasing transparency. We now have a plan in place to improve both for our customers and other stakeholders.

In the months ahead we'll step up our efforts to help create a circular economy by joining up many existing initiatives and filling a few gaps with new ones. We'll also do more to roll out localised Plan A in our stores and the surrounding communities where our employees and customers live.

2015/16 will be a key year for our combined work with various business coalitions to help build a sustainable global economy. COP21 Climate Change negotiations will take place in December 2015 and the United Nations' 17 new Sustainable Development Goals will be published in autumn 2015. We will continue to make a significant contribution to both through our membership of the CGF and WEF.

Closer to home, we are excited about the launch this summer of a new leadership development programme that has Plan A at its heart. Colleagues at all levels of our business are key to its future success, and this new initiative will help us to personalise the compelling business case for Plan A with all our senior leaders.



MIKE BARRY DIRECTOR OF PLAN A

PLAN A AND OUR BUSINESS STRATEGY

Right: Multi-channel retailing We're now starting to look at how Plan A should feature in our expanding multi-channel retail operations.

Below: Expanding International operations Plan A 2020 includes our expanding International operations and this report includes updates on some of these.



PLAN A OUR JOURNEY AND IMPACT

Since its launch in 2007, Plan A has sparked a transformation across M&S...

PLAN A IMPACT ON CUSTOMERS

We've engaged our customers in a range of Plan A activities that benefit them, their communities and the environment.

2.8bn **CARRIER BAGS SAVED** and £10m raised for a range of charities

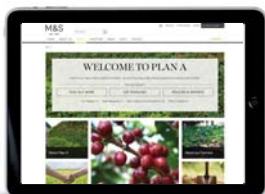
£15m **RAISED FOR OXFAM** with over 20m Shwopped garments donated

1m **CUSTOMERS ENGAGED WITH PLAN A** online or through social media

£50m **RAISED FOR CHARITIES** by working with our customers, employees and other partners



Above Fundraising for Breakthrough Breast Cancer



Left Over one million customers getting involved with Plan A digitally

PLAN A IMPACT ON PRODUCTS

We've built Plan A into M&S products, reducing their impact on the environment and helping the people involved in making them.

64% **OF M&S PRODUCTS** have at least one Plan A social or environmental quality

32% **OF THE COTTON USED TO MAKE M&S CLOTHING** comes from more sustainable sources

100% Of our wild fish is from **SOURCES THAT ARE SUSTAINABLE** or are working to be sustainable

100% **OF THE PALM OIL USED** in M&S products is covered by **ROUNDABLE FOR SUSTAINABLE PALM OIL CERTIFICATION**



Above All our farmed fish meets M&S responsible sourcing standards

Below All the palm oil used in M&S products is covered by RSPO certification



PLAN A IMPACT ON SUPPLIERS

We've worked closely with our suppliers to help them become more efficient, reduce their environmental footprints and provide good working conditions for their employees.

32% **OF M&S FOOD** comes from suppliers that meet the M&S Silver Sustainable Factory Standard

652,000 **WORKERS** in M&S General Merchandise supply chains have **RECEIVED TRAINING FROM M&S SINCE 2010**

102 of our largest **CLOTHING FACTORIES HAVE ADOPTED ENERGY EFFICIENCY MEASURES** making estimated savings of 10%



Above Our Global Community Programme has 23 projects to help workers in M&S supply chains across 14 countries

SINCE 2007...

64%

OF M&S PRODUCTS HAVE
A PLAN A QUALITY
(MEETING AN M&S SOCIAL
OR ENVIRONMENTAL
BEST PRACTICE)

£50m

RAISED FOR A RANGE OF
NATIONAL AND LOCAL
CHARITIES

£160m

NET BENEFIT GENERATED BY
PLAN A IN 2014/15

PLAN A IMPACT ON OPERATIONS

We've improved the way we design and operate stores, warehouses and transport fleets in the UK and Republic of Ireland to increase efficiency and reduce waste.

Zero

M&S is the world's only major retailer with **CARBON NEUTRAL OPERATIONS** (Zero net emissions)

Zero

Operational **WASTE TO LANDFILL** since 2012

36%

IMPROVED ENERGY EFFICIENCY per sq ft (after weather adjustment)

33%

IMPROVED EFFICIENCY across our delivery fleets



Above One of our many awards for improved efficiency

Below The UK's largest single roof mounted solar panel array at our Castle Donington distribution centre, which has been generating electricity since February 2015



PLAN A IMPACT ON EMPLOYEES

M&S employees have made it all happen – with great leadership from our Plan A Champions.

5,000

Paid **VOLUNTEERING DAYS** taken in 2014/15

38%

Of the **M&S BOARD ARE WOMEN**

3,800

WORK PLACEMENTS for unemployed people aged 25 years or under since 2013

79%

OF OUR PEOPLE are proud that their part of M&S contributes to Plan A



Above and below M&S employees are encouraged to become involved in their communities by supporting a range of national and local activities



PLAN A IMPACT ON SHAREHOLDERS

M&S shareholders have seen Plan A deliver financial benefits and transform the quality of information they receive.

£160m

NET BENEFIT generated by Plan A in 2014/15

£625m

NET BENEFIT generated by Plan A since 2007

12

NON-FINANCIAL MEASUREMENTS are included in our Annual Report as we integrate Plan A into how we create value

Below We report on Plan A in print and digitally



Plan A 2020

PLAN A 2015 HIGHLIGHTS

Together with our partners, employees, customers and suppliers **we've achieved much to be proud of** this year. From our work to build Plan A into all M&S products and engage more of our customers, to the programmes that support thousands of people working in our supply chains.

PLAN A AND M&S PRODUCTS BUILDING PLAN A INTO OUR PRODUCTS AND HOW WE SELL THEM

Building Plan A into products 64% of M&S products sold worldwide now have at least one Plan A quality, 7% more than last year. We've extended tried and trusted techniques but also added new innovations including M&S approved wine sustainability schemes, Footglove Earth shoes made from recycled and sustainably sourced materials, and our Pure natural beauty skin care range, which uses waste grapes from our food supply chain. We've also used fibres collected through Shwopping to make Topaz filling for M&S mattresses.



60,000

CUSTOMERS WATCHED OUR WWF AND M&S FOREVER FISH VIDEO ONLINE.



PLAN A AND THE ENVIRONMENT DOING MORE FOR THE ENVIRONMENT BY CUTTING CARBON AND BECOMING MORE RESOURCE-EFFICIENT

Using energy more efficiently and buying 'green' We've improved energy efficiency in our UK and ROI stores, offices and warehouses by 36% after weather adjustments and all the electricity we purchased directly is from renewable sources.

100%

OF OUR DIRECTLY PURCHASED UK AND ROI ELECTRICITY COMES FROM RENEWABLE 'GREEN' TARIFFS AND THIS YEAR WE'VE STARTED A MOVE TO BIO-METHANE GAS SUPPLIES

14

WE'RE TRIALLING 14 NITROGEN-CHILLED DELIVERY TRAILERS TO HELP FIND LOWER CARBON ALTERNATIVES TO HFC REFRIGERATION GASES

Reducing, reusing and recycling waste Maintaining our zero waste to landfill status we recycled 100% of our UK and ROI store, office and warehouse waste again this year. Reducing total waste by 24% against 2008/09 and sending over 90% of remaining food waste to generate energy through anaerobic digestion.

Avoiding food waste Over 65% of potential food waste in M&S operated stores in the UK and ROI is avoided in the first place, thanks to daily price reductions on short-life products and donations of surplus food to charities, including Community Shop, FareShare and Neighbourly. We've set ourselves a target to reduce food waste by 20% per sq foot by 2020 against 2013/14.

Cutting delivery packaging We've reduced the amount of packaging we use for home deliveries to customers by 60% to 92g per parcel compared to 230g in 2008/09.

2.8m

M&S CUSTOMERS DONATED 2.8M GARMENTS THROUGH OUR SHWOPPING INITIATIVE THIS YEAR, RAISING £1.75M FOR OXFAM

Love Food, Hate Waste We've supported WRAP's Love Food, Hate Waste Ten Cities campaign in Manchester, kicking off with a launch event outside our Manchester city centre store in August 2014.



Learning more about sustainable buildings To help us make our stores ever more sustainable, we've welcomed innovative ideas from many sources, including our own Sustainable Learning Stores, an M&S New Engineering Technology process, and external events such as the Big Innovation Pitch we held at Ecobuild 2015.

Testing new ideas in more stores We've introduced new trials to test different solar panels, LED lighting suitable for our clothes departments, HFC-free refrigeration systems and a Community Room at our new Wolstanton Stoke store. We've also extended new technologies tested last year, including LED lighting to 417 stores, improved lighting controls to 40, heat reclaim systems to 17 and better refrigeration compressors and controls to 247 stores.

64%

OF M&S PRODUCTS SOLD
WORLDWIDE NOW HAVE AT LEAST
ONE PLAN A QUALITY (MEETING AN
M&S SOCIAL OR ENVIRONMENTAL
BEST PRACTICE)

36%

IMPROVEMENT IN ENERGY
EFFICIENCY IN UK AND ROI STORES,
OFFICES AND WAREHOUSES
(AFTER WEATHER ADJUSTMENTS)
AGAINST 2006/07

100%

OF UK AND ROI STORE, OFFICE AND
WAREHOUSE WASTE WAS RECYCLED
THIS YEAR



Our biggest Plan A store retrofit yet

Building on lessons learnt when we launched four retrofit Simply Food Plan A stores at the end of 2013/14, we've completed our biggest retrofit challenge yet, at our Newcastle city centre store, home to one of the largest M&S Food Halls.

The refitted store opened at the end of March 2015. For customers walking down Newcastle's Northumberland Street, the biggest visual impact is the store's new green wall, a 167 sq m living wall comprising nearly 16,000 plants on the store's front façade, which not only encourages

biodiversity, but also provides insulation, air purification and a way to absorb rainwater run-off. The store also now benefits from state of the art low energy LED refrigeration lighting, systems to reclaim waste heat from refrigeration pumps, and intelligent door sensors.

PLAN A 2015 HIGHLIGHTS CONTINUED

PLAN A AND PEOPLE

INVOLVING MORE COLLEAGUES IN
PLAN A AND HELPING MORE PEOPLE
OUTSIDE M&S FIND EMPLOYMENT

Supporting home-grown talent We've improved our succession planning to give more colleagues the chance to progress into senior roles, with 72% of all appointments made at this level in 2014/15 going to talented individuals already with us.

38%

WOMEN NOW HOLD 38% OF OUR
BOARD POSITIONS AND 40% OF OUR
SENIOR MANAGEMENT POSITIONS

Helping more colleagues champion Plan A

We've reviewed and improved the way our store and regional Plan A Champions work and given them better guidance across a range of issues, whether that's on fundraising skills, mentoring a Make Your Mark participant or our new Town Centre Engagement Toolkits.

Mental health We're supporting MIND and Rethink Mental Illness's Time-To-Change mental health pledge.

13,300

WE'VE PROVIDED WORK PLACEMENTS FOR
OVER 13,300 PEOPLE SINCE WE LAUNCHED
MARKS & START, BACK IN 2004



Colleagues' health and wellbeing We've run a full calendar of health activities including our annual Weight Loss Challenge, Get Active programme and Dementia Friends campaign. Our Occupational Health, colleague health screening and employee café nutritional labelling services have also been reviewed and improved this year.

Helping young people Make *their* Mark

Make Your Mark won the 2014 IGD Employability Award, the Mayor's Fund for London Work Experience Provider Award, and a renewed Big Tick from Business in the Community.

WE'VE OFFERED OVER

2,000

WORK PLACEMENTS TO PEOPLE AGED 25 OR
UNDER, BRINGING THE TOTAL NUMBER OF
PLACEMENTS TO OVER 3,800 IN JUST TWO YEARS

M&S suppliers Make *their* Mark too Over 90 M&S suppliers, covering more than 150 individual sites, have also worked with us to provide an additional 1,700 placements for young unemployed people.

Work placement partners We're funding regional hubs run by The Employment Academy to help smaller companies set up work placement schemes and recruit successful participants.



Sparking a UK-wide Movement to Work

Inspired by the success of Make Your Mark, we were instrumental in founding a UK-wide Movement to Work in 2013. Almost 200 employers have joined Movement to Work to date and it's supported by The Prince's Trust, Jobcentre Plus, the UK Commission for Employment and Skills, the Trades Union Congress and the Confederation of British Industry. Since its launch, Movement to Work employers have created nearly 15,000 vocational training and work experience opportunities for young people with an estimated average into work rate of 50%.

PLAN A AND LOCAL COMMUNITIES SUPPORTING COMMUNITIES NATIONALLY AND LOCALLY

Supporting charities We've helped to raise £2.45m for health and wellbeing charities, including £1.3m for Macmillan Cancer Support and £700,000 for Breakthrough Breast Cancer. Over 14 years of working with Breakthrough, we've raised a total of £20m.

WE ARE
MACMILLAN.
CANCER SUPPORT



WE'RE WORKING WITH THE SOCIAL
NETWORK, NEIGHBOURLY, TO GET MORE
INVOLVED WITH LOCAL CHARITIES AND
COMMUNITIES

TO MARK THE FIRST WORLD WAR
CENTENARY, OUR PARTNERSHIP WITH THE
ROYAL BRITISH LEGION AND THE POPPY
APPEAL HELPED TO RAISE A TOTAL OF

£1.9m



90

OF OUR SUPPLIERS HAVE WORKED WITH US TO PROVIDE 1,700 PLACEMENTS FOR UNEMPLOYED YOUNG PEOPLE

10 years

OF COLLABORATION WITH WWF ON A SHARED VISION OF SUSTAINABLE NATURAL CAPITAL

32%

OF OUR COTTON CAME FROM BETTER COTTON INITIATIVE, FAIRTRADE, ORGANIC OR RECYCLED SOURCES

PLAN A AND
OUR SUPPLY CHAIN
DOING MORE FOR MORE PEOPLE
IN OUR SUPPLY CHAINS

70%

OF M&S UK/ROI STORES, OFFICES AND WAREHOUSES HAVE ADOPTED A CHARITY OF THE YEAR AND RAISED A COMBINED TOTAL £1.27M FOR LOCAL GOOD CAUSES

M&S COLLEAGUES COMPLETED

5,000

PAID VOLUNTEERING DAYS THIS YEAR



Paid volunteering M&S colleagues completed 5,000 paid volunteering days this year, 3,000 of them helped in The Big Beach Clean-up, and our data analysts completed a 36-hour data dive to help our charity partners make the most of their information.



3,000

M&S COLLEAGUES ACROSS 24 COUNTRIES TOOK PART IN A UNICEF ONE SMALL STEP SPONSORED 10KM WALK THIS YEAR, CONTRIBUTING TO THE £550,000 DONATION WE MADE

A principled approach We've updated our Global Sourcing Principles to cover a wider range of human rights issues. Launched on Human Rights Day in December 2014, we're now working with our suppliers to help them meet these requirements.

32%

OF OUR M&S FOOD NOW COMES FROM SUPPLIERS WHO MEET OUR PLAN A SILVER SUSTAINABILITY STANDARD INCLUDING 10% FROM SUPPLIERS WHO HAVE HIT GOLD

Counting on us We're funding a programme with the RSPB and Butterfly Conservation to help ten farms that supply M&S to assess and improve support for birds, bees and other pollinators. Local RSPB and Butterfly Conservation volunteers have already started counting the species living on the farms.



Setting higher standards for leather Nearly 26% of M&S leather products were made using leather which meets the environmental and traceability requirements of Leather Working Group (LWG) standards.



WE HAVE WORKED WITH WWF FOR

10 years



Celebrating a decade of collaboration with WWF We've worked with WWF for over ten years now, pursuing our shared vision of a market that maintains and restores the world's natural capital. At first we worked together on specific projects covering sustainable fishing and forestry before entering into a partnership in 2007. We agreed a series of three-year plans focusing on issues that mattered to both organisations, such as fishing, forestry, cotton and water. You can see the benefits of this partnership on supply chain issues with the progress we've been able to make through the Better Cotton Initiative in India, sustainably sourcing wood, sustainably sourcing wild fish and in the water stewardship practices we encourage our suppliers to adopt.

102

OUT OF OUR ROLLING-LIST OF TOP 100 CLOTHING FACTORIES HAVE NOW ADOPTED ENERGY EFFICIENCY BEST PRACTICES

652,000

M&S HAS TRAINED MORE THAN 652,000 WORKERS IN OUR GENERAL MERCHANDISE SUPPLY CHAIN SINCE 2010 - COVERING EMPLOYMENT RIGHTS, HEALTH, AND FINANCIAL LITERACY

PLAN A PERFORMANCE SUMMARY

In this section we detail our performance for each of our commitments, shown as Achieved, On plan, Not achieved, Behind plan or Not started.

ECONOMIC	NOT STARTED	BEHIND PLAN	NOT ACHIEVED	ON PLAN	ACHIEVED
Reporting and transparency					
Integrated reporting					
Financial models					
Transparency**					
Plan A innovation					
Leadership					
What we sell					
Products with Plan A qualities**					
M&S food nutritional content**					
Integrated health/sustainability food labelling					
Defining Plan A products					
GM Learning sustainable products**					
How we sell					
Integrated Plan A marketing**					
Plan A marketing					
Identifying Plan A products					
My Plan A**					
Meet your producer website					
Eat Well**					
Promoting healthy food**					
'Green' marketing training (Cancelled)					

ENVIRONMENTAL	NOT STARTED	BEHIND PLAN	NOT ACHIEVED	ON PLAN	ACHIEVED
Climate & GHG emissions					
Carbon neutral operations**					
Logistics carbon footprinting**					
Multi-channel retail footprint					
Store refrigeration emissions**					
Store refrigeration HFCs**					
Energy					
UK and ROI efficiency, part 1**					
UK and ROI efficiency, part 2**					
International energy efficiency**					
Store refrigeration doors					
Renewable electricity**					
Small-scale electricity					
Bio-methane**					
Transport					
Fuel efficiency**					
Nitrogen trailer trial					
Reduce business flights					
Waste					
No waste to landfill – operations**					
Food waste**					
Customer clothes recycling**					
Textile recovery R&D					
Circular economy opportunity					
Circular economy policy					
Packaging					
Environmentally efficient food packaging**					
Using packaging to reduce food waste					
Packaging recycling partnership					
Reduce GM transit packaging					
Reduce home delivery packaging					
Water efficiency					
Water usage**					
Sustainable buildings					
Extending construction initiatives**					
Store development assessment**					
Top 50 store climate adaptation					
Environmental leasehold clauses					
International Learning Stores					
Benefits of sustainable stores					
Building Information Modelling					
Embodied carbon in buildings					
Off-site construction					
Number of Plan A shop fit items					



** Assured by EY LLP

COMMITMENT SUMMARY

47

ACHIEVED

39

ON PLAN

9

NOT ACHIEVED

2

BEHIND PLAN

4

NOT
STARTED

SOCIAL

	NOT STARTED	BEHIND PLAN	NOT ACHIEVED	ON PLAN	ACHIEVED
Employment & diversity					
Employee diversity**					
Working flexibly					
Employability programmes					
Youth employment at M&S**					
Youth employment outside M&S**					
Marks & Start**					
Marks & Start International**					
Training & development					
UK/ROI retail skills					
UK/ROI retail skills for new CAs					
Succession planning					
UK/ROI Plan A skills					
International Plan A skills					
International Plan A capacity					
Responsible leadership training					
Health & wellbeing					
Wellness					
Extend Plan A health information					
Extend employee health services					
Nutritional labelling – employee cafés					
Community					
Annual store fundraising					
One day's paid volunteering					
Property development community plans					
Supporting charities					
International UNICEF					
Partnership benefits**					
Global Community Programme**					
Sieff Award					

SUPPLY CHAIN

	NOT STARTED	BEHIND PLAN	NOT ACHIEVED	ON PLAN	ACHIEVED
Policy					
New Global Sourcing**					
Food					
Sustainable food factories**					
M&S Farming for the Future**					
Food supply chain skills					
RSPB and Butterfly Conservation projects					
Food sustainable key commodities**					
Responsibly farmed fish**					
General Merchandise					
Energy efficiency at top 100 clothing suppliers					
Leather tanning and dyeing**					
Chemicals at dye houses**					
Zero hazardous discharges					
Removing Microbeads					
GM living wage					
Supply chain training					
Supply chain fair wage					
Clothing supply base list**					
Sustainable cotton, part 1**					
Sustainable cotton, part 2**					
Sustainable wood**					
GM material traceability**					
Property & construction					
No waste to landfill – construction					
Ethical assessments of property suppliers					

GRI BASED STRUCTURE

Last year we launched a revised set of 100 Plan A commitments structured around our new values of **Inspiration, Innovation, Integrity and In Touch**. Readers of the 2014 Plan A Report told us that they found this structure difficult to navigate. This year, to make it easier to find information, we've adopted more commonly used headings from the **Global Reporting Initiative (G4) guidelines**. The Plan A 2020 commitments remain unchanged.

PLAN A PERFORMANCE ECONOMIC

This section shows our detailed performance on managing the social and environmental impacts of the products we sell and how we provide transparency on our activities.

REPORTING AND TRANSPARENCY

INTEGRATED REPORTING

ON PLAN

AIM By our 2016 reports we will have adopted the principles of the International Integrated Reporting Council's (IIRC) Integrated Reporting Framework.

PROGRESS We're participating in the IIRC programme. Our 2014 Annual Report started our journey towards meeting the principles of the IIRC's Integrated Reporting Framework. We've reviewed our progress with our new auditors, Deloitte, and our new report partner, Friend Studio, and consequently made a number of further improvements to our 2015 Annual Report. To show how we manage resources and relationships it includes 12 non-financial measurements and indicators.

+ See how Plan A is embedded into our business in our Annual Report.

FINANCIAL MODELS

ACHIEVED

AIM By 2015, we will assess a range of different methodologies for translating social and environmental impacts into financial models and publish our conclusions on their suitability for future use by M&S.

PROGRESS We've worked with Forum for the Future, which has identified over 20 different models of natural and social capital accounting. Some, such as international Greenhouse Gas Reporting and Accounting Protocols, we already use. Others can be grouped into those that give a financial value to environmental and social capital or those that help to quantify and manage risks. We've also conducted a review of the intangible benefits of Plan A, including brand reputation/PR, recruitment and absenteeism. In all cases there are clear benefits, to which a financial value can be assigned. However, these are often significantly influenced by external factors, which makes it difficult to allocate an accurate value. We've also participated in the Prince's Accounting for Sustainability (A4S) Chief Finance Officer's network projects on natural capital accounting, whole-life costing and engaging investors. These projects have collated current best practices across a range of leading UK companies. We've committed to take part in the development and testing of natural capital accounting protocols with the Natural Capital Coalition. This consortium of organisations aims to publish global natural capital accounting protocols in mid-2016. See more at: corporate.marksandspencer.com/plan-a/blog



TRANSPARENCY**

ACHIEVED/ONGOING

AIM By 2015, we will consult with our customers and stakeholders to identify what information they consider to be important about where and how M&S products are produced, and by 2020 we will respond by improving the information available.

PROGRESS Last year, we reported that we had collated results from a small-scale online survey of sustainability specialists, a review of best practice by Forum for the Future and a summary of findings from existing M&S customer and public market research.

This year, we commissioned further research with GlobeScan, gathering the views of 172 sustainability specialists worldwide. It concluded that whilst it's important for companies to publish key data and policies, transparency is considered to be much more about behaviour and a willingness to engage and collaborate. We've published this research on our Plan A website. Supply chains were the main area of interest. Within this report you'll see examples of where we're already providing greater transparency on issues such as how we've defined Plan A product qualities and how we're addressing food chain environmental and social hotspots. From next year, we aim to conduct further research with our customers and also to launch a programme to improve transparency. We will report on our progress next year.

PLAN A INNOVATION PROGRAMME

ACHIEVED

AIM By 2015, we will launch a platform to highlight the major technical Plan A challenges that we want to address. Each year we will publish the top innovation challenges we face and work with others to find solutions.

PROGRESS In May 2015, we launched a new Plan A Challenges section of our website, summarising our key technical and behavioural sustainability challenges. These include Shwopping collections, off-grid energy generation, replacing HFC gases, sustainable sourcing, and recycling used mannequins. See more at: corporate.marksandspencer.com/plan-a/policies

LEADERSHIP

ACHIEVED

AIM From 2015, we will report on an expanded leadership role alongside other businesses to enable further progress including working with the ICD, Movement to Work, World Economic Forum and Consumer Goods Forum.

PROGRESS During the year, our CEO Marc Bolland helped to launch the World Economic Forum's Collectively website, aimed at engaging millennial consumers (those who reached adulthood in the 21st century) in sustainability. He also jointly-chaired the Consumer Goods Forum's sustainability programme and the ICD's (Institute of Grocery Distribution) Policy Issues Council, which has overseen activities including a Working on Waste (food) programme. M&S also helped to found the Movement to Work initiative to provide work experience and jobs for younger people.

Other reported data

	2013/14	2014/15	% change
Net Plan A benefit	£145m	£160m	+10

WHAT WE SELL

PRODUCTS WITH PLAN A QUALITIES**

ON PLAN

AIM To have at least one Plan A quality in all M&S General Merchandise and Food products by 2020.

PROGRESS As of April 2015, based on the volume of items sold worldwide, 64% of M&S products had at least one Plan A quality (last year: 57%).

We've identified 49 Plan A qualities for M&S Food products and this year we introduced further innovations including M&S approved Sustainable Wine Schemes. In total, 63% of M&S food products (last year: 56%) have at least one Plan A quality.

We've identified 23 Plan A qualities for M&S General Merchandise products and this year added innovations such as spun dyed fabric. In total 71% of M&S General Merchandise products (last year: 60%) now have at least one Plan A quality.

M&S FOOD NUTRITIONAL CONTENT**

ACHIEVED/ONGOING

AIM To review and improve the nutritional content of M&S food by 2015. (We will continue to report on progress against the UK government's Public Health Responsibility Deal.)

PROGRESS We've maintained our support for the UK government's Public Health Responsibility Deal. We've achieved 66% of the 2012 salt targets and now use a benchmarking tool to compare the nutritional qualities of all new M&S food products against their competitors as part of our product development process.

Further details of our progress can be found at: responsibilitydeal.dh.gov.uk

66%

OF SALT TARGETS ACHIEVED



INTEGRATE HEALTH AND SUSTAINABILITY FOOD LABELLING

ACHIEVED

AIM Integrate healthy eating advice with social and environmental sustainability messages by 2015.

PROGRESS The Institute of Grocery Distribution's (IGD) Industry Nutrition Strategy Group has completed its initial three-year research into sustainable diets, and published a number of reports. These showed that whilst healthy diets and sustainable diets are broadly the same, consumers prioritise the health aspects. The majority also see healthy food as being very similar to good quality food. The IGD has now adopted a watching brief but will continue discussions between health and sustainability specialists. We have developed plans on how we could market healthy food to our customers in the future – see our commitment on Promoting healthy food.

DEFINING PLAN A PRODUCTS

ACHIEVED

AIM By 2015, we will publish details of how we define and measure Plan A product qualities, identifying hotspots and details of our collaborations.

PROGRESS In May 2015, we added new content to our Plan A website, explaining how we've evolved the ways we define and measure Plan A qualities for M&S products. Much of this work has been done in collaboration with organisations including The Sustainability Consortium, Sustainable Clothing Action Programme and WRAP's Product Sustainability Forum.

See: corporate.marksandspencer.com/plan-a/policies

GENERAL MERCHANDISE SUSTAINABLE LEARNING PRODUCTS**

ACHIEVED/ONGOING

AIM Trial and evaluate at least two General Merchandise Sustainable Learning Products or services each year from 2015.

PROGRESS During the year we launched Footglove Earth shoes, which are manufactured using a range of recycled and sustainably sourced materials, and the Pure natural beauty skin care range made using waste grapes from the M&S food supply chain. The Pure range was developed as a result of initial circular economy research conducted with the University of Leeds.

In addition, we used mixed recycled fibres collected through the M&S Shwopping clothes re-use and recycling scheme to make Topaz filling for use in M&S mattresses when available.



PLAN A PERFORMANCE

ECONOMIC

CONTINUED

HOW WE SELL

INTEGRATED PLAN A MARKETING**

NOT
ACHIEVED/
ONGOING

AIM By 2015, we will integrate Plan A information into how we market and communicate the M&S brand.

PROGRESS This year we successfully launched our new M&S branding, incorporated Plan A elements into a number of food adverts, and into our Christmas Follow the Fairies marketing, which was supported by a 'random acts of kindness' social media campaign. The M&S fairies performed acts of kindness across the UK in the run up to Christmas 2014 and in return for 12,000 pledges of acts of kindness from our customers we fulfilled the wishes of 12 children with life-threatening conditions through the Make a Wish Foundation.

We're still working through the logistics of a fully-integrated approach to how Plan A issues features in our marketing. This commitment hasn't been achieved on time but we will continue to develop our approach and report on our progress again next year.

PLAN A MARKETING

ACHIEVED

AIM Run a continuous programme of Plan A marketing communications, to encourage customers to take action (up to 2015).

PROGRESS Throughout this year, we ran Plan A communication campaigns on a range of issues. These included our Shwopping clothes re-use and recycling scheme, Big Butterfly Count, Big Beach Clean-up days, Breakthrough Breast Cancer, Woodland Trust Christmas card recycling and Macmillan Cancer Support's World's Biggest Coffee Morning. In addition, we supported the Royal British Legion's 'Lights Out' campaign to mark the centenary of World War I.

IDENTIFYING PLAN A PRODUCTS**

ACHIEVED

AIM Develop mechanisms to help our customers identify products with Plan A qualities online to encourage their purchase by 2015.

PROGRESS We've developed a list of 12 of our General Merchandise Plan A product qualities that can all be communicated online easily. These are all identified through the use of a Plan A quality identifier on our website. See: marksandspencer.com

MY PLAN A**

ACHIEVED/
ONGOING

AIM Engage one million M&S customers in Plan A activities using a range of online channels by 2015. Aim: three million by 2020.

PROGRESS Since 2011, we've engaged more than one million customers in a wide range of online Plan A activities, designed to help them live more sustainably (although some customers may have taken part in more than one activity). These included Shwopping, Big Butterfly Count submissions, registering for the Big Beach Clean-up and making Plan A Pledges as well as receiving advice about reducing food waste and leading healthier lifestyles. This year, nearly 60,000 of our customers watched the WWF and M&S Forever Fish video online.

MEET YOUR PRODUCER WEBSITE

PREVIOUSLY
ACHIEVED

AIM Extend our Meet Your Producer website linking products with producers, to include overseas suppliers, including wine suppliers by 2015.

PROGRESS Previously achieved.

EAT WELL**

ACHIEVED

AIM By 2015, we will make our Eat Well sunflower food labelling 'work harder', increasing the levels of awareness and recognition by customers enabling the choice of a healthier diet.

PROGRESS Research conducted in 2013 already showed a 90% awareness of the Eat Well sunflower label amongst M&S customers making further improvement unlikely. Further research conducted in 2015 showed that 3% more of our customers consider M&S as offering a good choice of healthy food options compared to 2014. In March 2015 we offered over 1,000 Eat Well food lines.

PROMOTING HEALTHY FOOD**

ACHIEVED/
ONGOING

AIM From 2015 onwards we will work with key external stakeholders to define best practice on promoting and marketing healthy food and will have trialled key outcomes by 2017.

PROGRESS Following a food nutrition event co-hosted with the Guardian newspaper last year and other discussions with stakeholders, we've developed plans that are currently being considered by the senior management of our Food Group. We plan to share these ideas with a wider group of stakeholders later in the year and will provide an update on the resulting actions next year.

'GREEN' MARKETING TRAINING

CANCELLED

AIM By the end of 2016, we will have developed and rolled out a training programme on sustainability and Green Claims to all M&S marketing managers.

PROGRESS In March 2015 the UK government announced plans to revise its guidance on Green Claims starting with a consultation ending in May 2015. As a result, we've cancelled this commitment until revised guidance is published. We plan to contribute to the consultation process.

PLAN A PERFORMANCE

ENVIRONMENTAL

This section shows our detailed performance on the environmental impacts of M&S operations, including greenhouse gas emissions, energy usage, transport, waste, packaging, water and sustainable buildings.

CLIMATE CHANGE AND GREENHOUSE GAS EMISSIONS

CARBON NEUTRAL OPERATIONS**

ACHIEVED/
ONGOING

AIM We will maintain carbon neutrality for M&S operated activities in the UK and Republic of Ireland until at least 2015 and extend it to include other M&S International operations by 2014.

PROGRESS To the best of our knowledge, we're still the only major retailer in the world with carbon neutral global operations.

This year, our total gross CO₂e emissions were 592,000 tonnes of CO₂e. An increase of 4% (last year: 567,000). This is mainly due to an increase in the carbon conversion factors used to calculate emissions from UK grid electricity, which have added around 35,000 tonnes to the total figure. It still represents a 19% reduction on our 2006/07 calculated baseline of 732,000 tonnes of CO₂e.

For our UK and Republic of Ireland operations, gross emissions were 555,000 tonnes, up by 4% on last year due to increases in UK grid electricity conversion factors, but still down by 20% of our 2006/07 baseline of 698,000 tonnes of CO₂e.

This year, in response to stakeholder requests, we're showing separate data for the UK, Republic of Ireland and other International locations although we're unable to show previous years data in this way.

We've again achieved carbon neutrality through a combination of reductions, procuring renewable energy and purchasing and retiring high-quality carbon offsets.

We've set a new commitment of:

We will maintain carbon neutrality for M&S operated activities worldwide until at least 2020.

M&S CO₂e emissions

	2006/07 000 t CO ₂ e	2013/14 000 t CO ₂ e	2014/15 000 t CO ₂ e	2014/15 % change on 2006/07
UK				
Direct emissions from operations (scope 1)	N/A	N/A	159	-
Indirect emissions from operations (scope 2)	N/A	N/A	328	-
Total scope 1 and scope 2 emissions	N/A	N/A	487	-
Other indirect emissions including waste, business travel and energy and fuel (scope 3)	N/A	N/A	51	-
Total gross emissions	N/A	N/A	538	-
Republic of Ireland				
Direct emissions from operations (scope 1)	N/A	N/A	6	-
Indirect emissions from operations (scope 2)	N/A	N/A	10	-
Total scope 1 and scope 2 emissions	N/A	N/A	16	-
Other indirect emissions including waste, business travel and energy and fuel (scope 3)	N/A	N/A	1	-
Total gross emissions	N/A	N/A	17	-
UK and the Republic of Ireland				
Direct emissions from operations (scope 1)	245	167	165	-33
Indirect emissions from operations (scope 2)	367	313	338	-8
Total scope 1 and scope 2 emissions	612	480	503	-18
Other indirect emissions including waste, business travel and energy and fuel (scope 3)	86	52	52	-40
Total gross emissions	698	532	555	-20
Total gross CO₂e emissions tonnes/1,000 sq ft of sales floor	51	32	33	-35
Other International locations (subject to review)				
Direct emissions from operations (scope 1)	1	1	2	+100
In-direct emissions from operations (scope 2)	28	28	29	+4
Total scope 1 and scope 2 emissions	29	29	31	+7
Other in-direct emissions including energy and fuel and estimated waste and business travel (scope 3)	6	6	6	L
Total gross emissions	35	35	37	+6
Total gross CO₂e emissions tonnes/1,000 sq ft of sales floor	N/A	15	13	-
M&S global operations				
Direct emissions from operations (scope 1)	246	168	167	-32
Indirect emissions from operations (scope 2)	395	340	367	-7
Total scope 1 and scope 2 emissions	641	508	534	-17
Other indirect emissions including waste, business travel and energy and fuel (scope 3)	92	59	58	-37
Total gross/location CO₂e emissions	732	^567	592	-19
Total gross CO₂e emissions tonnes/1,000 sq ft of sales floor	-	30	30	-
Total of renewable electricity sourced	N/A	302	333	-
Carbon offsets	-	265	259	-
Total net/market-place CO₂e emissions	733	0	0	-

Operational CO₂e emissions

Emissions are shown in compliance with the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard Revised and have been calculated using revised carbon conversion factors published by DECC/DEFRA in June 2014 and Bitzer Report 17 for additional refrigeration gases. This includes all the activities where we have operational control. It excludes all non-metered premises and shopping service contract supplies.

Renewable electricity tariffs have been calculated in accordance with the March 2015 WRI/WBCSD GHG Scope 2 Guidance on procured renewable energy. We have also added a conservatively estimated 2006/07 baseline for our International operations based on 2013/14 data.

[^] We've made adjustments to delete a warehouse that is no longer under our operational control but added in five smaller International warehouse locations for both 2013/14 and 2014/15.

PLAN A PERFORMANCE

ENVIRONMENTAL

CONTINUED

CLIMATE CHANGE AND GREENHOUSE GAS EMISSIONS

LOGISTICS CARBON FOOTPRINTING**

ON PLAN

AIM Complete a study of the carbon impact of our end-to-end logistics footprint in order to identify hot spots and publish the results by the end of 2015.

PROGRESS To our knowledge, we're the first major retailer to measure and model the carbon footprint of its entire logistics supply chain in detail, from supplier to store. Using 2013/14 data, the study shows that over 80% of our logistics network greenhouse gas emissions come from fuel used for transport and nearly 20% from warehousing operations. More than 90% of these warehouse emissions come from electricity consumption.



We're already using this information to help us identify carbon hotspots and prioritise projects to reduce emissions. These include actions to ensure that delivery fleets operate efficiently by transporting as much product as possible on each journey, and energy efficiency measurements including Passive Infra-Red movement detecting light switches in warehouses. We're planning to complete the study and publish a summary of our findings by the end of the 2015 calendar year.

MULTI-CHANNEL RETAIL FOOTPRINT

ON PLAN

AIM Commission research to better understand the carbon footprint of our multi-channel retail operations in the UK and internationally by 2016. Use the findings to develop a plan to improve our overall carbon efficiency by 2020.

PROGRESS We've developed a research plan to compare the carbon footprint efficiency of single channel retailing with that of multi-channel retailing and attempt to identify opportunities for improved efficiency. It will look at the end-to-end product journey and will be lead by consultants, Accenture, with support from a number of other partners including DPD Express Parcel Delivery and Woodway packaging.

STORE REFRIGERATION – EMISSIONS**

ON PLAN

AIM Reduce UK and Republic of Ireland store refrigeration gas carbon emissions by 80% by 2020.

PROGRESS This year, our emissions from refrigeration and air-conditioning were 43,000 tonnes CO₂e, down by 67% compared with 129,000 tonnes CO₂e in 2006/07. Allowing for increases in store footage, emissions were down 73% at 2.5 tonnes CO₂e/1,000 sq ft (2006/07: 9.4 tonnes CO₂e/1,000 sq ft). We've achieved these reductions by improving maintenance and introducing less damaging R407a HFC gases in store systems.

UK and ROI store refrigeration and air-conditioning emissions in tonnes CO₂e per 1000 sq ft

2006/07 Actual	2013/14 Actual	2014/15 Actual	2020 Target	Improvement achieved
9.4	2.5	2.5	1.9	73%

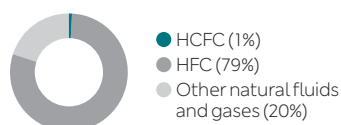
STORE REFRIGERATION – REPLACING HFCs**

ON PLAN

AIM To use carbon dioxide in all new UK and Republic of Ireland refrigeration system installations and replace HFCs by 2030.

PROGRESS We've now installed carbon dioxide refrigeration systems in 94 stores, five of which use no HFCs at all.

Refrigeration and air-conditioning gases in use in M&S UK and Republic of Ireland stores



ENERGY CONSUMPTION & SOURCING

UK AND ROI ENERGY EFFICIENCY (1)**

ACHIEVED

AIM Improving energy efficiency in UK and Republic of Ireland stores, offices and distribution centres by 35% per sq ft by 2015.

UK AND ROI ENERGY EFFICIENCY (2)**

ON PLAN

AIM Improving energy efficiency in UK and Republic of Ireland stores, offices and distribution centres by 50% per sq ft by 2020.

PROGRESS We've achieved and exceeded our 2015 energy efficiency target of 35%. This year, we improved total energy efficiency across our stores, offices and warehouses by 36% to 36.8 KWh/sq ft (2006/07: 57.4 KWh/sq ft).

We improved store energy efficiency by 35% to 44.4 KWh/sq ft compared to 2006/07 (67.9 KWh/sq ft). Gas usage included in our calculation has been adjusted using standard degree days to reflect changes in the number of cold days (46.5 KWh/sq ft before adjustment).

We improved energy efficiency in our warehouses by 42% at 15.4 KWh/sq ft against 2006/07: 26.4 KWh/sq ft. Energy use in our offices was improved by 23% at 38.2 KWh/sq ft (2006/07: 49.4 KWh/sq ft).

UK and ROI energy efficiency: Total store, office and warehouse energy usage in KWh/sq ft

2006/07 Actual	2013/14 Actual	2014/15 Actual	2015 Target	2020 Target	Improvement achieved
57.4	37.6	36.8	37.3	28.6	36%

INTERNATIONAL ENERGY EFFICIENCY**

ON PLAN

AIM Improving energy efficiency in our International stores, offices and distribution centres outside of the Republic of Ireland by 20% per sq ft by 2020 against a newly developed baseline.

PROGRESS In total, we operate or are in joint ventures in 19 other countries. Around a third of these International stores' total footage use energy provided by the landlord and are outside our operational control. We've only included the energy and footage over which we have operational control.

In 2014/15 our energy consumption was 26.8 KWh/sq ft compared to 27.9 KWh/sq ft in 2013/14, a reduction of 4%. Consumption of energy in our International stores is much lower than our UK and Republic of Ireland as most of them don't sell chilled food and use heating and air-conditioning services piped in from shopping malls.

We also have a small number of warehouses across the world whose primary function is to support our UK business and these are included in our reporting for the first time. The 37% improvement is due to additional low energy using footage.

International stores (outside of ROI): Total store energy usage in KWh/sq ft

2013/14 Actual	2014/15 Actual	2020 Target	Improvement achieved
28	26.8	22.4	4%

International warehouses: Total warehouse energy usage in KWh/sq ft

2013/14 Actual	2014/15 Actual	2020 Target	Improvement achieved
9	5.7	7.2	37%

STORE REFRIGERATION – DOORS

NOT ACHIEVED/ONGOING

AIM By 2015, we will conduct a trial to retrofit doors on fridges in stores in the existing estate, fully evaluate it with recommendations for future roll-out.

PROGRESS We have been working with suppliers to develop different door technologies. The trials have been delayed but are now planned to be completed during 2015/16.

RENEWABLE ELECTRICITY**

ON PLAN

AIM Ensure electricity purchased for M&S operated stores and offices in the UK and Republic of Ireland is from renewable sources (up to 2020).

100%

PROGRESS This year, all the electricity we directly purchased for our stores and offices in the UK and Republic of Ireland and our General Merchandise warehouses came from green tariff renewable sources. A small amount, 7%, of non-renewable electricity was also purchased by the operators of our food warehouses.

OF DIRECTLY PROCURED ELECTRICITY FROM RENEWABLE SOURCES

SMALL-SCALE ELECTRICITY

ON PLAN

AIM Ensure 50% of the energy used in our UK and ROI building operations comes from small-scale renewable sources by 2020.

PROGRESS This year, around 148 GWhs, equivalent to 21% of the electricity we used, was procured from small-scale generators, supported through our electricity procurement contracts.

BIO-METHANE**

ON PLAN

AIM Ensure 50% of gas used in M&S operated buildings in the UK and Republic of Ireland comes from certified green bio-methane sources by 2020.

PROGRESS In 2014, we signed a contract to procure up to 35,000 MWhs of bio-methane a year. In 2014/15, we purchased 33,409 MWhs of bio-methane gas, equivalent to 15% of our annual usage.

PLAN A PERFORMANCE

ENVIRONMENTAL

CONTINUED

TRANSPORT

FUEL EFFICIENCY**

NOT
ACHIEVED

AIM Achieving a 35% improvement in fuel efficiency in our UK and Republic of Ireland Food deliveries to stores by 2015.

PROGRESS This year, fuel efficiency for our Food store deliveries was 1,721 litres per store, an improvement of 33% compared with 2,556 litres per store in 2006/07. We didn't achieve our target, but believe that this was mainly as a result of running some less efficient dual deliveries as we move over to a new distribution network structure.

33%

TRANSPORT FUEL EFFICIENCY
IMPROVEMENT

As this stage, we can't identify a single key performance indicator for overall transport efficiency but we'll continue to provide updates against our updated commitment of:

Report on our progress to improve logistics fleet efficiency within a fast evolving logistics network.

NITROGEN TRAILER TRIAL

ON PLAN

AIM By 2017, we will conduct a 20-vehicle pilot to test nitrogen as a lower carbon refrigerant in our Food transport fleet.

PROGRESS We're trialling nitrogen-chilled trailers at our food warehouse in Hemel Hempstead. These trailers use nitrogen as an alternative to HFC gases to provide chilling, but need re-charging with nitrogen before they set out on their journey every morning. This imposes some operational constraints, as the trailers have to return to our Hemel Hempstead depot every evening. We're gathering all the information we need from the current 14 trailers and have revised this commitment:

By 2017, we will conduct a 14-vehicle pilot to test nitrogen as a lower carbon refrigerant in our Food transport fleet.

REDUCE BUSINESS FLIGHTS

PREVIOUSLY
ACHIEVED

AIM To reduce business flights by an average of 20% per UK employee by 2014.

PROGRESS Previously achieved.

WASTE

NO WASTE TO LANDFILL – OPERATIONS**

ACHIEVED/
ONGOING

AIM Maintain zero waste to landfill for M&S operations in the UK and Republic of Ireland and report on the progress of our other International operations.

PROGRESS In 2014/15 our UK and Republic of Ireland operations once again recycled 100% of the waste generated in our stores, offices and warehouses (2008/09: 41%). Our total waste decreased by 4% on last year, which is 24% down on our 2008/09 starting-point. We believe this is due to reductions in General Merchandise transit packaging and food waste. Over 90% of food waste was again processed using anaerobic digestion.

At present, we're unable to report on waste from our other International locations.

UK and Republic of Ireland store, office and warehouse waste

	2008/09	2013/14	2014/15	% change on 2008/09
Total waste (000 tonnes)	116	92	88	-24
Waste sent to landfill (000 tonnes)	69	0	0	0
Waste recycled (000 tonnes)	47	92	88	+87
% recycled	41%	100%	100%	

FOOD WASTE**

ACHIEVED/
ONGOING

AIM Conduct a series of collaborative projects to review the causes of food waste across our supply chain and operations. By 2015, we plan to set reduction targets to be achieved by 2020. In addition, we will review opportunities to donate an increased amount of food to charities.

PROGRESS We avoid over 65% of potential food waste in our stores by making up to three price reductions a day if necessary, to clear short-life products. Around 30 stores are participating in an expanding programme to donate surplus food to charities including Community Shop, FareShare, FoodCycle and Neighbourly. Our suppliers also have the opportunity to donate surplus food through our food warehouses.

We've set a target to reduce product food waste in our stores by 20% by 2020 against a 2013/14 baseline. Therefore our new commitment now reads:

Conduct a series of collaborative projects to review the causes of food waste across our supply chain and operations. By 2020, we plan to reduce food product waste in our stores by 20% per sq foot against 2013/14. In addition, we will review opportunities to donate an increased amount of food to charities. We plan to report on our progress from next year.

WASTE CONTINUED

CUSTOMER CLOTHES RECYCLING**

BEHIND
PLAN

AIM To help our customers give clothes a second life recycling 20 million items of clothing each year by 2020.

PROGRESS This year our UK and ROI customers donated over 2.8 million garments (last year 4 million) through our Shwopping clothes recycling initiative, helping us raise an estimated £1.75m for Oxfam (last year £3.2m). We also conducted trials of a similar scheme in the Czech Republic and Hong Kong. To reflect these experiences we have reduced this target: **To help our customers in the UK, ROI and Internationally give clothes a second life recycling a total of 50m garments by 2020 (from a 2008 baseline).**

TEXTILE RECOVERY R&D

ON PLAN

AIM We will conduct a two-year project with the University of Cambridge, Institute for Manufacturing, funded in conjunction with Innovate UK, to investigate opportunities to increase the volume and value of textile recovery and will share the learnings of this project publicly by 2016.

PROGRESS REDRESS, a project focused on driving garment recovery and retained value, is now underway and we've set up a steering group. We've also completed two quarterly reviews and developed plans for knowledge sharing with academia and industry.

CIRCULAR ECONOMY OPPORTUNITY

ACHIEVED

AIM By 2016, we will have completed a detailed review of circular economy opportunities across all parts of the M&S business.

PROGRESS We've worked with Business for Social Responsibility (BSR) and the Circular Economy 100 (CE100) group run by the Ellen MacArthur Foundation. We've identified key opportunities in durability and re-use or recycling for clothing, reducing waste and the carbon impact of packaging for food, and re-using store equipment for our Property team. We also believe that there are additional opportunities to support new business models in the way that some store equipment and services are procured.

CIRCULAR ECONOMY POLICY

ACHIEVED

AIM By 2016, we aim to publish a report outlining the political policy steps that we believe would accelerate the journey towards creating a sustainable circular economy.

PROGRESS During the year we submitted evidence, which is referenced, in the Environmental Audit Committee's Ending the Throwaway Society's Report. We also contributed to a number of projects and reports on the circular economy, including work by the British Retail Consortium and The Aldersgate Group, which advocate improved access to data, the use of tax, prioritising where the largest benefits would occur, and a greater use of standards.

PACKAGING

ENVIRONMENTALLY EFFICIENT FOOD PACKAGING**

ON PLAN

AIM To use the most environmentally efficient forms of packaging systems throughout the supply chain to help reduce the overall carbon footprint of packaging and products by 2015.

PROGRESS This commitment is measured and defined through our contribution towards WRAP's Courtauld Commitment initiative on improving the environmental efficiency of packaging, as measured by carbon footprint. Through our participation in the third version of the Courtauld Commitment we've contributed towards an overall reduction of 4.5% in the carbon footprint of packaging used in the UK for 2013, compared with 2012. Our progress was slightly behind the industry average, but comes in addition to improvements previously achieved between 2007 and 2012.

To enable further progress, we've conducted trials on a range of new and innovative packaging materials. These include Plantic bioplastic skin packs for fresh meat and fish, black plastic trays for recipe dishes that can be more easily sorted for recycling, and a new recyclable barrier paper to replace foils in the packaging for crisps and biscuits. We've continued to replace our polystyrene packs with more easily recyclable types of plastic and also maintained our support for Somerset Waste Partnership to improve the quality of recyclable packaging materials that are collected, as well as RECOUP, the plastics recycling organisation's Pledge for Plastics campaign with activities in six stores.

As the Courtauld Commitment 3 data for this commitment is a year behind the scope of this report, we will continue to report on our progress in future years.

USING PACKAGING TO REDUCE FOOD WASTE

ACHIEVED

AIM By 2015, working with WRAP's Fresher for Longer initiative we will identify opportunities and make the necessary changes to help reduce food waste in the home by improving the design of our packaging and the guidance we give to customers. We will also work in collaboration with suppliers to reduce supply chain food waste using innovations in packaging.

PROGRESS We've committed to support WRAP's 10 Cities Love Food, Hate Waste campaign, over 18 months in Manchester, starting in the summer of 2014. At the launch event, held outside our city centre store in Manchester in August 2014, consumers were provided with hints and tips on the best ways to avoid food waste, demonstrated with free fruit smoothies made from surplus food. We also participated in an event with the University of Leeds and the Institute of Grocery Distribution (IGD) on the role of packaging in helping to extend product life with students, academics and local businesses.

We've also worked with our suppliers to develop innovative packaging that can help to reduce food waste by increasing product shelf life. These include Perfo Tec moisture control films on strawberries and raspberries as well as trials of Plantic bioplastic skin packs for packaging fresh fish and meat.

PLAN A PERFORMANCE

ENVIRONMENTAL

CONTINUED

PACKAGING CONTINUED

PACKAGING RECYCLING PARTNERSHIPS

PREVIOUSLY
ACHIEVED

AIM Work in partnership to help improve national levels of packaging recycling (e.g. Recycling Rewards, local authority partners, etc.) by 2015.

PROGRESS Previously achieved.

REDUCE GENERAL MERCHANDISE TRANSIT PACKAGING

NOT
ACHIEVED/
ONGOING

AIM Reduce UK and ROI General Merchandise transit packaging waste by 25% by 2015.

PROGRESS After we launched this target a number of operational changes prevented us from measuring a baseline until 2012. In 2012, on average, each M&S General Merchandise product was packed in *36g of transit packaging. For 2014, the average was down by 8% to 33g per product.

REDUCE HOME DELIVERY PACKAGING

ACHIEVED

AIM Reduce UK and ROI home delivery packaging by 25% in weight by 2015.

PROGRESS This commitment is newly achieved. For 2014/15 each Home Delivery parcel required an average of 92g of packaging, down by 60% against the 2008/09 baseline of 230g per parcel average. We believe this has mainly been achieved by reducing the levels of wrapping used on individual products within a single parcel.

(Other reported data) UK single-use medium sized carrier bags and above

	2006/07	2013/14	2014/15	2014/15 % change (to 2006/07)
Food bags	464m	114m	115m	-75
General Merchandise bags	193m	146m	134m	-31
All bags	657m	260m	249m	-62
Resulting donations from charges for all bags	–	£1.4m	£1.7m	+21

All charges in NI are paid directly to government since April 2013. In addition to Wales where mandatory charging has been in place since October 2011, a similar charge was introduced in Scotland in October 2014. Legislation has also been passed to introduce mandatory charging in England from 5 October 2015.)

(Other reported data) UK and Republic of Ireland used Christmas card recycling

	2013	2014/15	% change
Used Christmas cards (in tonnes)	161	124	-23
Used Christmas cards (in singles)	8m	6m	-25

WATER (CONSUMPTION)

WATER USAGE**

ON PLAN

AIM To reduce water consumption in M&S operated buildings in the UK and Republic of Ireland by 35% per sq ft by 2020 and report on the progress of our other International locations.

PROGRESS During 2014/15, our UK and ROI store, office and warehouse water consumption was 50 litres per sq ft. This is slightly more than last year (2013/14: 49 litres per sq ft), but still a 25% improvement on our 2006/07 baseline figure of 67 litres per sq ft.

Note: Currently, we cannot report on the water usage from other International locations.

Total UK and ROI usage was 1,186,552 m³, down by 6% on our baseline (2006/07: 1,266,704m³). As we've only recently started to monitor water usage in our warehouses we've used 2007/08 as our baseline for Food and 2009/10 as our baseline for General Merchandise warehouses.

Total UK and ROI store, office and warehouse water efficiency in litres per sq ft

2006/07 Actual	2013/14 Actual	2014/15 Actual	2020 Target	Improvement achieved
67	49	50	44	25%

SUSTAINABLE BUILDINGS

EXTEND CONSTRUCTION INITIATIVES**

ON PLAN

AIM From 2014 we will trial and evaluate sustainability and lean (efficiency) initiatives in all major UK and Republic of Ireland store development projects and integrate all those that are successful into at least 25 existing buildings in the UK and Republic of Ireland by the end of the following year up to 2020.

PROGRESS To encourage a future supply of innovations we're drawing from our own Sustainable Learning Stores, a New Engineering Technology (NET) process we've set-up in M&S, and external events such as the Dragons Den style Big Innovation Pitch we held at the Ecobuild 2015 event.

This year we've started trials of a wide range of new technologies, including a number of different solar panel schemes, a Community Room at our new Wolstanton Stoke store, LED low energy lighting suitable for use in clothing salesfloors, and HFC-free refrigeration systems.

We've also extended the use of new technologies tested last year. These included LED fridge lighting to 417 stores, heat reclaim systems to 17 stores, improved refrigeration condenser controls to 247 stores, better refrigeration compressors to 78 stores and Dali lighting controls to 40 stores.

TOP 50 STORE CLIMATE ADAPTATION

NOT ACHIEVED/ONGOING

AIM By 2015, we will review possible adaptations to climate change at our top 50 UK stores. We will then develop a plan in collaboration with our landlords to agree which adaptations will be implemented by 2020.

PROGRESS We've developed a plan for this research and appointed construction engineering specialists, Arup, to lead the work. We now plan to complete this work in 2015/16.

STORE DEVELOPMENT ASSESSMENTS**

NOT ACHIEVED/ONGOING

AIM From 2015 all store development investment in excess of £10m will be assessed against the following criteria by the M&S Property Board:

- Future building climate change risk mitigation.
- Full whole-life cost financial evaluation.
- Appropriate building accreditation standard review.

PROGRESS We're still working on our plans for building accreditation standards and climate change risk mitigation. We've developed a whole-life cost model and are on track to achieve this commitment, a little later than planned, in 2015/16.

ENVIRONMENTAL LEASEHOLD CLAUSES

ON PLAN

AIM We will include environmental leasehold clauses covering energy, water and waste in all new UK relevant leases. For existing stores, we will promote co-operation with existing landlords and evaluate the results of that co-operation before implementing agreements for existing stores more widely in the future.

PROGRESS We published our Environmental leasehold policy in November 2012, and since then have included environmental leasehold clauses in 12 contracts. In addition, we have 58 Memorandums of Understanding (informal agreements) for 65 stores. We're also contributing to the University of Oxford's Working with Infrastructure Creation of Knowledge and Energy strategy Development (WICKED) project, which aims to report on the influence of environmental leasehold clauses in 2016.

INTERNATIONAL SUSTAINABLE LEARNING STORES

BEHIND PLAN

AIM By 2020, we will open a further five Sustainable Learning Stores in international territories outside of the Republic of Ireland.

PROGRESS We've defined an International Sustainable Learning Store as one with a technology or process that helps deliver Plan A and is unique to M&S stores in that country, but we are still developing the details of our plans.

BENEFITS OF SUSTAINABLE STORES

ON PLAN

AIM By 2016, we will complete a study into the health, wellbeing and associated commercial benefits of sustainable retail buildings (shops, warehouses, offices) and apply lessons learnt to M&S existing and new buildings where possible.

PROGRESS We're taking part in a World Green Building Council project to assess the broader benefits of sustainable construction. The UK Green Building Council is leading a Retail Taskforce to identify and test a series of metrics during 2015/16. M&S is a member of this Taskforce.

To allow a reasonable amount of time for the results of this project to be published and assessed we've made a small change to the wording of this commitment:

By 2016, we will complete a study into the health, wellbeing and associated commercial benefits of sustainable retail buildings. We will then apply the lessons learnt to M&S existing and new buildings where possible.

PLAN A PERFORMANCE

ENVIRONMENTAL

CONTINUED

SUSTAINABLE BUILDINGS CONTINUED

BUILDING INFORMATION MODELLING (BIM)

ON PLAN

AIM By 2016, we will evaluate the use of Building Information Modelling technology and make recommendations about how we can use it in the future.

PROGRESS BIM allows us to design buildings in three dimensions, taking into account potential problems and efficiencies. During the year, we applied BIM to several new stores including Malone (Belfast), Scunthorpe, Wolstanton Stoke, Capton Hall (Great Yarmouth) and Longbridge (Birmingham). We've also commissioned a report into the benefit of using this technology.



OFF-SITE CONSTRUCTION

ON PLAN



AIM By 2016, we will trial off-site construction methodologies for stores and shop-fit and make recommendations about its future use within M&S.

PROGRESS Off-site construction involves the use of pre-manufactured building parts, which are installed on-site. It can improve efficiency and reduce waste. We've already used wall-panels, store window displays, refrigerated storage facilities, in-store bakeries and complete cafés manufactured in this way. During the year we used this approach for the internal walls and electrical and engineering services at Capton Hall (Great Yarmouth) and Grantham. Next year, we plan to conduct further off-site construction trials for our new Meole Brace M&S Simply Food store in Shrewsbury.

EMBODIED CARBON IN BUILDINGS

ON PLAN

AIM By 2020, we will reduce the embodied carbon in UK and Republic of Ireland new store builds by addressing the carbon 'hotspots' of walls, ceilings and floors where possible.

PROGRESS Embodied carbon is the amount of carbon emitted when materials like steel, concrete, tiles, and plaster board are manufactured. From previous work we've identified that the main construction embodied carbon hotspots that we can often influence are ceilings, walls and floors. We've changed our standard specifications for ceilings, switching to low carbon designs wherever possible, such as those installed this year in our stores in Sevenoaks and Bexhill.

Our next step is to look more carefully at walls and floors. We're investigating how we can link reducing embodied carbon through our work on Building Information Modelling.

NUMBER OF PLAN A SHOP FIT ITEMS

ON PLAN

AIM To ensure all new UK and Republic of Ireland shop fit items have at least one Plan A quality by 2020 (including increased recycled content, end-of-life M&S re-use, recyclability and embodied impacts).

PROGRESS We've made good progress and identified five key environmental metrics: lifecycle assessment, use of recycled material, responsible sourcing, volatile organic compounds (VOCs), and end-of-life resource use.

For surface finishes (including those for walls, floors and ceilings) we've assessed how other environmental assessments such as Ska Retail, BREEAM, LEED and WRAP consider these metrics and developed an approach of our own that best suits the way we want to measure our procurement activities.

For shop-fit items, we've had to use a slightly different approach. We've worked with Quantum4 and their EcoSmart Sustainable Design system to provide scores showing whether an item has any Plan A qualities.

We've already got some initial data, and plan to develop this during 2015/16.

PLAN A PERFORMANCE

SOCIAL

This section shows our detailed performance on issues including employment, diversity, training, health and wellbeing, and community programmes in M&S operations.

EMPLOYMENT AND DIVERSITY

EMPLOYEE DIVERSITY**

ACHIEVED/ONGOING

AIM We will report on gender diversity in the UK, Republic of Ireland and our wholly-owned businesses worldwide by 2015, we will aim for 30% female Board members and 35% women in senior roles.

PROGRESS We've extended this commitment and set new targets. As of April 2015, 38% of our Board and 40% of employees in senior management roles across our global business were women. We have made new Board appointments this year, in both executive and non-executive roles, meaning that our Board diversity has further improved.

In 2015, we were listed in The Times Top 50 Employers for Women, for the fifth year running.

We've set up an Inspiring Women Network, which runs regular development events for M&S employees, and we're also taking part in a number of gender diversity initiatives. These include the government backed 30% Club for female Board Directors, a specialist female development programme, and a partnership with a local school to provide mentoring support for around 50 female students between the ages of 15 and 18.

M&S Group gender diversity (including M&S operated locations and joint ventures worldwide)

	Women employees	Women managers ^a	Women store managers	Women in senior management
2015	72%	62%	50%	40%

^aManagement is defined as people with first line supervisory responsibilities or professional and technical specialists.

UK and Republic of Ireland workforce gender diversity

	Women employees	Women managers ^a	Women store managers	Women in senior management
2015	73%	63%	49%	40%
2014	73%	58%	48%	39%

^aManagement is defined as people with first line supervisory responsibilities or professional and technical specialists.

UK workforce ethnic diversity

	Employees from ethnic minority backgrounds	Managers from ethnic minority backgrounds ^a
2015	10%	12%
2014	11%	14%

^aManagement is defined as people with first line supervisory responsibilities or professional and technical specialists.

UK and Republic of Ireland workforce age and experience

	Employees aged 25 years and under	Employees aged 50 years and over	Employees aged 60 years and over	Employees aged 65 years and over	Employees with over 11 years' service
2015	23%	35%	9%	4%	27%
2014	20%	32%	7%	3%	25%

Data as of March 2015

WORKING FLEXIBLY

ACHIEVED

AIM We will report on our employees' uptake of working flexibly in the UK by 2015, then take action and set a target to make a significant increase in the levels of working flexibly (e.g. non-maximum hours working, job shares, flexitime, remote working) in our UK and Republic of Ireland operations by 2020.

PROGRESS We know that many requests for flexible working are made locally with line managers, and these aren't always formally recorded. However, this year, we started to measure formal requests and the proportion that were successful.

Around 300 formal requests for flexible working were made, with childcare being the most quoted reason. Over half of these requests were accepted. Those declined were mainly for operational reasons.

Across M&S we've calculated that 69% of our employees have non-maximum hours contracts, 80% in stores and 10% in Head Office. The majority of employees with non-maximum hours contracts are female with 80% in stores and 95% in Head Office.

We are now developing proposals about how improvements can be made and will update on our progress next year.



(Other reported data) UK and Republic of Ireland employee turnover

	2014/15
Total	19%
Unplanned	14%

(Other reported data) Global employee Your Say surveys results

	2013/14	2014/15	% change
Participation	80%	79%	-1
Engagement score	80%	77%	-3
Plan A score	80%	79%	-1

PLAN A PERFORMANCE

SOCIAL

CONTINUED

EMPLOYABILITY PROGRAMMES

YOUTH EMPLOYMENT AT M&S**

ON PLAN

AIM By 2016 we aim to have offered support to 5,000 young unemployed people in the UK with 650,000 hours of training and work experience in order for 50% to find work within three months of their placement as part of our Make Your Mark and Marks & Start programmes.

PROGRESS This year we've offered Make Your Mark work placements to 1,479 people aged 25 or under, and a further 564 through Marks & Start. That's a total of 2,043, or over 3,800, since we launched this initiative two years ago. The percentage of people who completed the programme and went on to find work is around 62%.

This initiative has been recognised through several awards including the 2014 IGD Employability Award, The Mayor's Fund for London Work Experience Provider Award, and a renewed Business in the Community Big Tick.

YOUTH EMPLOYMENT OUTSIDE M&S**

ON PLAN

AIM By 2016, we aim to work with 100 of our suppliers and share best practice in order to open up more vocational training and work placement opportunities for young unemployed people. We aim to collaborate with other companies to encourage them to do the same.

PROGRESS Since the launch last year we've worked with 94 of our suppliers to address youth unemployment by providing training and work placement opportunities for young people. This includes suppliers who provide M&S with Logistics, Property and dotcom digital services.

However, the majority of these suppliers, 83 of them, are in our Food supply chain and operate more than 150 individual sites. Over 1,700 young people, aged 25 or under, were offered work placements with our Food suppliers, and 90% of those who completed them went on to find work. We believe that this high into work rate was due to the placements being offered as part of a managed recruitment programme. Our Plan A Innovation Fund provided finance for four regional hubs run by The Employment Academy. These hubs are providing support and advice to smaller companies, enabling them to take part.

We've shared experiences and developed best practice guides through our Food Supplier Exchange and training materials.

**Employment
Academy**

MARKS & START**

ON PLAN

AIM Since the launch of Marks & Start in 2004, we aim to have helped 15,000 people from disadvantaged groups including young unemployed people, single parents, people with disabilities and those at risk of being homeless by offering work placements in our UK stores, offices and suppliers factories by 2016. We're aiming for 50% to find employment within three months of completing their placement.

PROGRESS We've been running our Marks & Start work experience programme since 2004. This year we offered more than 3,300 placements. As reported in the commitment on Youth unemployment at M&S, 1,479 placements were offered through Make Your Mark in addition to the 1,897 through Marks & Start.

This year, we estimate that over 50% of participants who completed placements went on to find work.



This gives a total of over 13,300 work placement offers for all our schemes since Marks & Start was launched in 2004.

MARKS & START INTERNATIONAL**

ON PLAN

AIM Starting in Greece and France in 2014 we will build our International Marks & Start programme. We will aim to have programmes set up in six countries by 2020.

PROGRESS This year more than 70 people took part in work experience placements at our stores in France, Greece and Poland.

M&S suppliers in Bangladesh, India and Sri Lanka also continued to provide work experience and employment opportunities for more than 250 people with disabilities.

MOVEMENT TO WORK

Our commitments to provide vocational training and work experience for young people within M&S and in our supply chain, are part of a larger programme, which we helped to found in 2013, called Movement to Work. Almost 200 employers have joined Movement to Work to date, including Accenture, Asda, BAE Systems, Barclays, BT, Centrica, Civil Service, Compass, DHL, Diageo, GSK, HSBC, ISS, Manpower, Marriott, M&S, National Grid, NHS, Sodexo, Tesco, Unilever, Whitbread and WPP.

Movement to Work is supported by The Prince's Trust, Jobcentre Plus, the UK Commission for Employment and Skills, the Trades Union Congress and the Confederation of British Industry. Since its launch, Movement to Work employers have created nearly 15,000 vocational training and work experience opportunities for young people, with an estimated average into work rate of 50%. See: movementtowork.com

TRAINING AND DEVELOPMENT

UK AND ROI RETAIL SKILLS

ON PLAN

AIM Our learning and development programme responds annually to the operational needs of the business. As a minimum, we will continue to provide at least an average of 1.5 days of training per year on retail skills for our Customer Assistants up to 2020.

PROGRESS This year, we provided around 1.5 days' worth of training on subjects including: our new values of Inspiration, Innovation, Integrity and In Touch; Food allergens; Passionate about Food product knowledge; General Merchandise visual merchandising; Dementia Friends mental health awareness; and Business Involvement Groups skills. Our overall employee Your Say survey score on access to training increased by 2% to 82%.

UK AND ROI RETAIL SKILLS FOR NEW CUSTOMER ASSISTANTS

ON PLAN

AIM In addition to an ongoing learning and development programme for our existing Customer Assistants, we will also continue to provide an induction programme lasting up to six months for newly recruited permanent Customer Assistants up to 2020.

PROGRESS All new Customer Assistants receive minimum training of at least four weeks, and sometimes up to six months, in order to acquire a range of technical, service and selling skills. During 2014/15, we improved much of the content in our induction training to make it more engaging and interactive.

SUCCESSION PLANNING

ACHIEVED/
ONGOING

AIM By 2015, we aim to make internal appointments to 70% of our top 150 most senior vacancies.

PROGRESS This commitment was achieved in 2014. We believe that effective succession planning increases the availability of experienced and capable employees, who are prepared to assume roles as they become available. Over the last three years, we've developed a succession planning process which considers an individual's potential, key timescales, important skills, retention and mobility. We calculate an annual internal senior appointment percentage once a year, and in the summer of 2014 this was 72% (for 23 internal appointments out of 32 vacancies). This figure included internal promotions and moves to a job at the same level within our 150 most senior roles.

UK AND ROI PLAN A SKILLS

ACHIEVED/
ONGOING

AIM By 2015, we will provide better information and a revised Plan A Champion job specification allowing our colleagues in the UK and Republic of Ireland to improve their environmental and community skills.

PROGRESS We've revised the job specifications for Plan A Champions and regional Plan A Champions, with the intention of reviewing them regularly in the future. We've also developed and distributed new information packs covering a calendar of events, fund raising skills and a Town Centre Engagement Toolkit for store managers.

INTERNATIONAL PLAN A SKILLS

ON PLAN

AIM By 2017, every M&S International employee will have received a minimum of three hours training on Plan A.

PROGRESS Having started work on this commitment we've decided that it will be more effective to target the development of training materials rather than a set number of training hours.

We've developed a basic level of International Plan A training content for new employees. This has been communicated through a 'train the trainer' programme. In 2015/16 we plan to develop accompanying training materials designed to be used by existing employees. To reflect this, we've re-worded this commitment:

By 2017, we'll ensure knowledge of Plan A is embedded across our International business through a range of materials and forms of communication including induction, newsletters and conferences.

INTERNATIONAL PLAN A CAPACITY

ON PLAN

AIM By 2020, we will develop the capacity of our people to deliver Plan A locally in all the countries beyond the UK and Republic of Ireland where we operate stores, using India as a pilot location.

PROGRESS We've worked with Forum for the Future to research the key social and environmental issues for our joint venture retail business in India. This identified some common basics, such as energy efficiency, waste and recycling, and corruption, as well as some opportunities on community, women's empowerment, diversity and engaging customers in Plan A. As a result, we're now planning to recruit a Plan A manager for India.

We included a Plan A briefing in our 2015 conference for our International retail operations and franchise partners.



We've also included our International locations in the development of energy, refrigeration gas, health & safety and gender diversity data.

PLAN A PERFORMANCE

SOCIAL

CONTINUED

TRAINING AND DEVELOPMENT CONTINUED

RESPONSIBLE LEADERSHIP

NOT
ACHIEVED/
ONGOING

AIM Our top 100 business leaders will receive training on Responsible Leadership by 2015.

PROGRESS Around 50 of our most senior managers took part in our Responsible Leadership training programme, so we haven't achieved this commitment. For 2015/16, we've developed a new programme called Fit to Lead the Future, based on our new values of Inspiration, Innovation, Integrity and In Touch. The programme includes strong elements of Plan A related content and a number of group challenges addressing social or environmental issues.

To reflect this new approach, we've re-worded this commitment:

To launch a values-based 'Fit to Lead the Future' leadership training programme aiming to have involved our most senior business leaders by April 2016.

HEALTH AND WELLBEING

WELLNESS

ACHIEVED/
ONGOING

AIM We will establish measurements and report on wellness for M&S employees by 2015 to supplement the more traditional measures of employee engagement, considering external best practice.

PROGRESS Using data from our Your Say employee survey we've established a Wellness benchmarking measurement of 79%, slightly down on last year's level of 81%. Once again, we took part in Business in the Community's Workwell benchmark to improve the way we measure and report about health and wellbeing. During the year we've also analysed data from our Employee Assistance Programme, which is contacted confidentially by 1,000 employees a month with a range of work and home issues. This has helped us to develop a three-year programme of activities to address mental health.

EXTEND ACCESS TO PLAN A HEALTH INFORMATION

NOT
ACHIEVED/
ONGOING

AIM By 2015, we will extend access to our health and wellbeing services and information to our International colleagues beyond the Republic of Ireland. We will encourage our supply chain to share best practice and take a proactive approach in implementing it in their businesses.

PROGRESS So far, we have not added to our existing Plan A health website for our operations in India and the Employee Assistance Programme services we provide in Greece.

HEALTH AND WELLBEING CONTINUED

EXTEND EMPLOYEE HEALTH SERVICES

ACHIEVED/
ONGOING

AIM By 2015, in the UK and Republic of Ireland we will provide additional health services and policies to employees including: encouraging healthy eating, promoting exercise and mental health awareness. We will provide support and advice tailored to the needs of an ageing workforce.

PROGRESS We've now developed a whole calendar of health events and activities, which this year included our annual Weight Loss Challenge, a Get Active programme and Dementia Friends campaign. We've also signed up to support MIND and Rethink Mental Illness's Time-to-Change mental health pledge.

We've reviewed and improved the way we provide Occupational Health services and updated our employee breast screening service to avoid overlap with the NHS. We now offer free breast screening to M&S female employees aged 40-49 as part of early detection (with the NHS providing support for employees aged 50-70).

NUTRITIONAL LABELLING – EMPLOYEE CAFES

PREVIOUSLY
ACHIEVED

AIM Continue to improve nutritional labelling by making it easier for employees to manage their diet and extend it to include UK employee cafés (up to 2015).

PROGRESS Previously achieved.



(Other reported data) UK and Republic of Ireland health & safety**

	2013/14 Total	2014/15 Total	% change	2013/14 Per million sq ft	2014/15 Per million sq ft	% change
Accidents to employees, customers, contractors and visitors	28,086	26,750	-5	1,679	1,572	-6
RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations)	199	185	-7	12	11	-8

Data for previous years can be found in the relevant Plan A/How We Do Business Report but is broadly consistent with 2013/14 and 2014/15 with small year-on-year improvements.

We now have a 'Primary Authority' relationship with Birmingham City Council, which provides what is termed 'assured advice'. We're also trialling a system to centrally collate health and safety data from M&S operated stores in France, Belgium and Holland.

COMMUNITY

ANNUAL STORE FUNDRAISING

ACHIEVED/
ONGOING

AIM Every M&S operated location in the UK and Republic of Ireland will aim to make a positive difference to its local community by supporting local charities through fundraising and volunteering – aiming to raise £1m per year from 2015.

PROGRESS This commitment is newly achieved and during the year our stores, offices and warehouses raised £1.27m for local charities. Over 70% of M&S operated locations have now adopted a Charity of the Year. In 2015/16, working with the Neighbourly social network, we plan to improve how we monitor, connect and promote our activities with local charities.

ONE DAY'S PAID VOLUNTEERING

ACHIEVED/
ONGOING

AIM We will play an active role in local communities by offering all our UK and ROI employees one day's paid leave to volunteer in their community. From 2015, we will aim for at least 5,000 volunteering days to be taken each year.

PROGRESS In total, over 5,000 paid volunteer days were taken this year. Over 3,000 M&S employees took part in The Big Beach Clean-up as well as a range of other activities, including a 36-hour data dive during which M&S data analysts helped our charity partners to improve their use of data.

PROPERTY DEVELOPMENT COMMUNITY PLANS

ON PLAN

AIM Develop and integrate a community engagement plan for major new UK and ROI stores and refurbishments to ensure positive and active relations are at the heart of the development and handover process by 2020.

PROGRESS We've developed a community programme for major UK and ROI store construction and refurbishment programmes that run for more than ten weeks. We're working to ensure that, eventually, these large scale projects meet five key requirements:

1. A defined level of performance against the Considerate Construction Scheme.
2. A written community engagement plan.
3. Compliance with a newly developed M&S Community Guide.
4. A defined level of participation in our Make Your Mark work experience programme.
5. Associate membership of the main contractors in the Considerate Construction Scheme.

In the 2014 calendar year, we tested these requirements over 23 projects across the UK. We aim to continue developing this programme in 2015/16.

SUPPORTING CHARITIES

ON PLAN

AIM Maintaining our corporate support for charities addressing a range of social and environmental issues including helping to raise £20m by 2020 for health and wellbeing charities.

PROGRESS In 2014/15, we maintained our support for Breakthrough Breast Cancer by raising over £700,000 through activities including Breast Cancer Awareness Month, Fashion Targets Breast Cancer and Charity Christmas cards.

M&S Cafés again hosted Macmillan Cancer Support's World's Biggest Coffee Morning, which together with other activities throughout the year, raised over £1.3m including over £550,000 raised by M&S employees.

The total amount raised for health and wellbeing charities totalled £2.45m. That's £5.35m over two years so far.

INTERNATIONAL UNICEF

ON PLAN

AIM From 2014 our International stores and offices (excluding the Republic of Ireland) will help to raise £1m over three years to invest in education projects for some of the world's poorest children.

PROGRESS This year we donated over £390,000 (£640,000 over two years), including money raised by M&S colleagues worldwide. Over 3,000 employees in 24 different countries took part in a UNICEF One Small Step 10km sponsored walk.



PARTNERSHIP BENEFITS**

ON PLAN

AIM To quantify and report on the wider benefits resulting from our social and environmental partnerships by 2016.

PROGRESS By 2016 we plan to have quantified the wider benefits resulting from those relationships that make an important contribution in helping us to achieve our Plan A commitments. These include WWF, Oxfam, UNICEF, Macmillan Cancer Support, Breakthrough Breast Cancer and The Royal British Legion.



PLAN A PERFORMANCE

SOCIAL

CONTINUED

COMMUNITY CONTINUED

GLOBAL COMMUNITY PROGRAMME**

ACHIEVED/
ONGOING

AIM To establish a Global Community Programme in 2015 to benefit people in the key regions of the world where M&S products are sourced by 2020. Increasing the scale of existing activities and launching new social and environmental initiatives to strengthen the resilience of communities and security of supply by 2020.

PROGRESS Our Global Community Programme has been launched and is underway. We've developed a framework to help us prioritise and select programmes that generate benefits against our three main aims of improving livelihoods, the environment and wellbeing. The Global Community Programme currently has 23 main projects, involving 13 partners across 14 countries.

Examples include the Emerging Leaders initiative, which has now trained over 8,000 people in Kenya and South Africa, the Project Hope health programme in our General Merchandise supply chain in Cambodia (also covered under our commitment on Supply chain training), and our climate adaptation and water stewardship programmes within our coffee supply chain in Peru. We've developed a range of measurements to assess the effectiveness of each programme. We'll use some standardised measurements on behaviour change, understanding and equal opportunities, as well as some more specific metrics addressing the issues of livelihoods, the environment and wellbeing.

SIEFF AWARD

ACHIEVED

AIM We will use the newly re-launched annual Business in the Community Sieff Award to recognise young business leaders who advocate sustainability until at least 2020.

PROGRESS This commitment is designed to recognise future business leaders who promote the concept of sustainable development. It was launched as part of our 2012 Business in the Community Responsible Business of the Year activities. The 2014 winners were announced in July. This year we also held a leadership training day for the winners in September 2014 at our Stratford City store.

(Other reported data) Community donations**

	2013/14 £m	2014/15 £m	% change
Cash	8.4	8.2	-2
Time	1.7	1.6	-6
In-kind	4.1	3.3	-20
Total	14.2	13.1	-8
Leveraged	8.8	7.5	-15

PLAN A PERFORMANCE

SUPPLY CHAIN

This section shows our detailed performance on managing social and environmental issues in our Food, General Merchandise and Property supply chains.

POLICY

NEW GLOBAL SOURCING PRINCIPLES**

ACHIEVED/
ONGOING

AIM We will launch and communicate our updated Global Sourcing Principles which are strengthened to include Human Rights, gender equality, community, fairness and small farmers to all business suppliers during 2014 and provide an annual update on our progress on supporting our supply chain to meet this much higher standard.

PROGRESS Our original Global Sourcing Principles have been updated to include a wide range of human rights issues, in line with the United Nations Guiding Principles on Business and Human Rights. We've been working with our suppliers on many of these for some time, but this is the first time we've included them in our Global Sourcing Principles. We launched our new Global Sourcing Principles on 10 December 2014, Human Rights Day, and communicated them to our suppliers through newsletters and workshops. This has replaced our original Global Sourcing Principles in our Terms of Trade. Next year we will report on how we're supporting our suppliers to meet these standards.

(Other reported data) Supplier social compliance assessments**

	2013	2014	% change
No. of suppliers on SEDEX database	*3,020	*3,060	+1
Audits conducted	*1,722	*1,405	-18
Corrective actions made by suppliers	*7,806	*6,699	-14

All suppliers are required to have up-to-date assessments on the Supplier Ethical Data Exchange (SEDEX) database.

*Calendar year.

FOOD

SUSTAINABLE FOOD FACTORIES**

ACHIEVED/
ONGOING

AIM M&S food suppliers to implement a Gold/Silver/Bronze sustainability benchmarking standard to improve human resources, environmental and efficiency performance. By 2015, 30% of product by volume will come from factories that have reached Silver level, rising to **100%** by 2020 (**increased from 75%**). We will also continue to measure and report on key sustainability indicators across all three frameworks which demonstrate higher performance and business benefits.

PROGRESS Our 2015 target has now been Achieved. The proportion of M&S food products provided by Silver level suppliers has increased to 32% (last year: 19%) and is a result of our having validated the performance of 40 supplier sites. To achieve this, a site has to be at the Silver level or above, across all three areas of human resources, environmental performance and resource efficiency. Four of these sites have additionally been validated at Gold level. Suppliers accounting for over 90% of M&S food are now participating.

In total, M&S food suppliers have reduced waste by over 250,000 tonnes and saved 8.5 million m³ of water. A third of sites have improved energy efficiency by at least 20% on their baseline and 46% have positivity scores of 65% or above in employee feedback surveys. This initiative won the 2014 ICD Sustainable Future Award.

FOOD CONTINUED

M&S FARMING FOR THE FUTURE**

ACHIEVED/
ONGOING

AIM Through the M&S Farming for the Future programme we will define key sustainability hotspots by sector and develop plans to manage hotspots in each sector through producer and industry engagement. We will publish an annual report to report on progress and share our learning more widely from 2015.

PROGRESS For our five key sectors of produce, dairy, beef, pigs and poultry, we've identified a range of sustainability hotspots. Working with farmers and growers in our supply base, as well as industry consultants, we have used the findings from our Indicator Farms as well as feedback from a range of sources, to create lists of between three and six hotspots for each sector. For example, in the dairy sector we have identified the key sustainability hotspots as feed, animal welfare, labour standards and greenhouse gas emissions. Working with our suppliers we plan to address these hotspots through our Indicator Farm programme. Indicator Farms are a network of around 200 farms across the UK and ROI covering all the different sectors. They undertake trials to test new approaches and techniques, with the results being communicated to M&S and other farms.

Examples include our work on projects to encourage pollinators in the produce sector, and the measurement and assessment of performance across a wide range of sustainability issues by farmers supplying M&S milk, poultry, pork and beef.

All these activities have been summarised in an M&S Farming for the Future report, launched in May 2015 on our producer exchange website. See: producerexchange.marksandspencer.com

FOOD SUPPLY CHAIN SKILLS

ACHIEVED

AIM Launch initiatives by 2015 with educational organisations to provide the core skills required for the long-term success of the Food supply chain.

PROGRESS The M&S Farming for the Future Education Programme is a collaborative venture with our Food suppliers. It aims to address the shortage of talented young people entering the agricultural industry. This year, as part of the programme, we ran a further two Executive Education courses at Cranfield University for young people from across the M&S food supply chain. Since 2013, over 50 delegates have taken part.

We also supported a project competition with students at Greenmount Agricultural College in Northern Ireland, as well as students on an aquaculture apprenticeship in collaboration with Scottish Sea Farms and the University of the Highlands and Islands. Next year we're supporting an agriculture degree student at Harper Adam University College, with a scholarship in partnership with Rabobank, who will have a one-year work placement with M&S.

PLAN A PERFORMANCE

SUPPLY CHAIN

CONTINUED

FOOD CONTINUED

RSPB AND BUTTERFLY CONSERVATION PROJECTS

ON PLAN

AIM Work in partnership with the RSPB and Butterfly Conservation over three years on a number of the farms that supply us to better understand habitat and maintenance requirements for wild birds and pollinators including bees and other species. We will share our findings publicly by 2017.



PROGRESS We're funding a programme with the RSPB and Butterfly Conservation, to help ten farms that supply different M&S food raw materials in different parts of the UK to assess and improve support for birds, bees and other pollinators. Local RSPB and Butterfly Conservation volunteers have already started to assess the types and numbers of species found on these farms.

The volunteers have counted around 40 species of birds on each of the farms they've surveyed and alongside more common species they've also spotted some threatened 'red list' species including corn buntings, skylarks, tree sparrows, turtle doves, yellow wagtails and yellowhammers. Each farm is also home to over a dozen species of butterflies and bees. The farmer receives a report detailing what the volunteers have found along with suggestions on how supporting habitats might be improved.

Next year, we want to assess what difference we've been able to make.

FOOD SUSTAINABLE KEY COMMODITIES**

NOT ACHIEVED/ONGOING

AIM By 2015, for our key global raw materials, we will have identified the major environmental/social hotspots, key mitigations to address them and will report on an annual basis our progress on increasing the proportion of purchasing from sustainable sources with the aim of achieving 100% by 2020. By 2015, we aim to source palm oil, soy, coffee, cocoa and Brazilian beef from locations that don't contribute to further deforestation.

PROGRESS As reported in previous years, we've met our target to source tea, coffee and Brazilian beef that do not contribute to deforestation. The *3,103 tonnes of palm oil we used this year was all Roundtable on Sustainable Palm Oil (RSPO) certified, 82% was a mix of segregated and mass balance (last year: 63%), with the remaining *18% being covered by the purchase of GreenPalm certificates to encourage the transition to sustainable supplies. Once again, we purchased 15,000 tonnes Roundtable for Responsible Soy (RTRS) credits to match the usage of soy in feed for M&S Oakham chickens and entered the second year of our projects with Solidaridad (an organisation that works on sustainable raw materials) to help 1,200 small-scale soy growers in Paraguay move to more sustainable agricultural practices, and Cool Earth's Ashaninka forest-protection project in Peru. We also entered into another project with Solidaridad on new business models for cocoa production in Ghana and joined the International Cocoa initiative to eradicate child labour in cocoa production.

However, we have not achieved this commitment as we haven't met our 100% targets on soy and cocoa.

As many of the major environmental/social hotspots are already being addressed through other commitments we have re-worded this commitment to focus on our activities to prevent further deforestation:

Zero deforestation: Building on the substantial progress we've already made, and in recognition of the role of forest protection as part of climate change mitigation, we're aiming to ensure zero deforestation from the use of palm oil, soy, cattle and paper materials in the production of M&S products by 2020. We will also publish our commodity specific policies by April 2016.

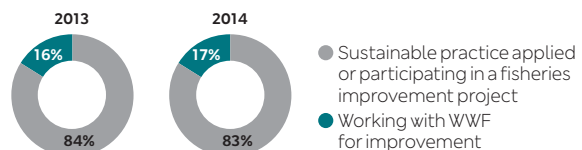
RESPONSIBLY FARMED FISH**

ACHIEVED/ONGOING

AIM All M&S farmed fish and fish feed to come from the most responsible sources available by 2015.

PROGRESS This commitment is now achieved. We have M&S Select Farm Assurance or M&S Codes of Practice in place for salmon, organic salmon, shrimp (prawns), trout, halibut, bass and bream as well as fish feed. We only source pangasius from third-party certified farms. We will continue to report on our progress as we add new species, such as turbot, that we're currently trialling.

(Other reported data) Wild fish sourcing**



GENERAL MERCHANDISE

ENERGY EFFICIENCY AT TOP 100 CLOTHING SUPPLIERS

ACHIEVED/
ONGOING

AIM Require our top 100 clothing factories to install energy efficient lighting, improved insulation and temperature controls, to reduce their energy usage by an estimated 10% by 2015. These are factories that have featured in a rolling top 100 between 2011 and March 2015.

PROGRESS This commitment is now achieved. By March 2015, 102 (last year 85) of our clothing factories that have featured in our top 100 by turnover between 2011 and 2015, had adopted energy efficiency best practices on lighting, insulation and temperature control.

We have re-worded this commitment to continue in the future:

Continue to require our top 100 clothing factories to install energy efficient lighting, improved insulation and temperature controls reducing their energy usage by an estimated 10% by 2020. These are factories that feature in a rolling top 100 between 2015 and March 2020.

LEATHER TANNING AND DYEING**

ACHIEVED/
ONGOING

AIM To source 25% of the leather used in M&S General Merchandise products from suppliers who demonstrate continuous improvement against environmental industry based metrics by 2020.

PROGRESS This target has been achieved five years early. By the 2014 Spring/Summer season, nearly 26% of leather used to make M&S leather products was sourced from Leather Working Group (LWG) rated tanneries. LWG standards were developed by a collaboration of retailers and tanneries and offer three pass levels: Gold, Silver and Bronze. Certification includes the evaluation of energy efficiency, water usage, chemicals management, discharges, emergency plans and traceability of leather.

5yrs

THIS TARGET HAS BEEN
ACHIEVED FIVE YEARS EARLY

As we've achieved this target, we've set a more ambitious goal:

To source 50% of the leather used in M&S General Merchandise products from suppliers who demonstrate continuous improvement against environmental industry based metrics by 2020.

CHEMICAL AND EFFLUENT MANAGEMENT IN DYEING**

ACHIEVED/
ONGOING

AIM We will launch a further Model Eco Dyehouses programme by 2015 to focus on developing best practice for chemical and effluent management. The best practice will help to define new standards to be extended across our supply base.

PROGRESS We've identified, and are working with, four Model Eco Dyehouses (one in China and three in Turkey), to develop best practices on chemical management, water usage, energy efficiency and waste. We're also testing an improved audit method that will allow us to develop an Eco Dyehouse Plan A product quality.

As part of our work with the Zero Discharges of Hazardous Chemicals (ZDHC) group, we also plan to trial another method of auditing standards at a dyehouse in China.

In 2015, Greenpeace rated M&S as a Detox 'Leader'.

(NEW) ZERO HAZARDOUS DISCHARGES

NOT YET
STARTED

AIM We will continue to work with industry bodies, opinion formers and suppliers to deliver innovation in working practices and processes to achieve our goal of Zero discharge of hazardous chemicals from the manufacture of our textile and apparel products by 2020.

PROGRESS This is a new commitment and we'll report on our progress in next year's Report.

(NEW) REMOVING MICROBEADS

NOT YET
STARTED

AIM M&S has committed to removing plastic microbeads from M&S own brand personal care products. All existing and new products and formulations manufactured from 2016 onwards will be free from plastic microbeads.

PROGRESS This is a new commitment and we'll report on our progress in next year's Report.

GENERAL MERCHANDISE LIVING WAGE

PREVIOUSLY
ACHIEVED

AIM Implement a process to ensure our clothing suppliers are able to pay workers a fair living wage in the least developed countries we source from, starting with Bangladesh, India and Sri Lanka by 2015. We will achieve this by ensuring that the cost prices we pay to our suppliers are adequate to pay a fair living wage.

PROGRESS Previously achieved.

PLAN A PERFORMANCE SUPPLY CHAIN CONTINUED

GENERAL MERCHANDISE CONTINUED

(NEW) SUPPLY CHAIN FAIR WAGE

NOT YET
STARTED

AIM To work collaboratively with other companies, organisations, suppliers and governments to support the payment of a fair wage to the workers in our supply chain.

PROGRESS This is a new commitment and we'll report on our progress in next year's Report.

SUPPLY CHAIN TRAINING

ACHIEVED/
ONGOING

AIM Work with our suppliers and partners to provide a training and education programme for 500,000 workers by 2015. This will cover employees' roles, responsibilities and rights, basic health care and where possible, numeracy and literacy.

PROGRESS By April 2015 we'd provided training to more than 652,000 workers in our General Merchandise supply chains since 2010.

Our financial literacy training in India resulted in the opening of more than 20,000 bank accounts by workers and their families. Project Hope, which involves working with a local NGO in Cambodia, has so far benefited more than 14,500 workers by providing improved health information and services.

652,000

WORKERS TRAINED IN OUR GM
SUPPLY CHAIN SINCE 2010

14,500

WORKERS HAVE BENEFITED
FROM PROJECT HOPE

We have extended this commitment to:

Work with our suppliers and partners to provide a training and education programme for 800,000 workers by 2020. This will cover employees' roles, responsibilities and rights, basic health care and where possible, numeracy and literacy.

CLOTHING SUPPLY BASE LIST**

NOT YET
STARTED

AIM By 2016, we will publish an annual list of our active clothing manufacturers.

PROGRESS Not started.

SUSTAINABLE COTTON (1)**

ACHIEVED

AIM Procure 25% of cotton from sustainable sources by 2015.

SUSTAINABLE COTTON (2)**

ON PLAN

AIM Procure 50% of cotton from sustainable sources by 2020.

PROGRESS We've achieved our 2015 target. This year 32% of the cotton we sourced came from the Better Cotton Initiative, Fairtrade, organic or recycled sources (last year: 20%).

We will now start working towards a revised 2020 aim of:

Procure 70% of cotton from sustainable sources by 2020.



GENERAL MERCHANDISE CONTINUED

SUSTAINABLE WOOD**

ON PLAN

AIM By 2020 all our wood will come from the most sustainable sources, including FSC certified and recycled material. Where certified or recycled sources are not available we will work with our suppliers to make sure our responsible sourcing standards are met.

PROGRESS In 2014/15, 98% of the wood-based materials we used were Forest Stewardship Council (FSC) certified, recycled, or from sources that protect forests and communities (last year: 96%).

2014/15 wood material use

(excluding fabrics, newspapers and magazines)



GENERAL MERCHANDISE TRACEABILITY**

ON PLAN

AIM Develop and implement a system to provide traceability for the principal raw materials used within our General Merchandise supply chain and assess the opportunities to make at least some of this information available by 2020.

PROGRESS We're including data on raw materials in the roll-out of new product lifecycle management software that will replace our existing contracts and range planning systems. We're developing an implementation timetable.

PROPERTY AND CONSTRUCTION

NO WASTE TO LANDFILL – CONSTRUCTION

ACHIEVED/ONGOING

AIM Maintain zero waste to landfill for M&S construction activities in the UK and Republic of Ireland.

PROGRESS We Achieved this commitment in 2012 and now provide annual updates on our progress. In 2014/15 no waste from our retail construction projects went to landfill. However, a small percentage of waste from a warehouse construction project did go to landfill.

ETHICAL ASSESSMENTS OF PROPERTY SUPPLIERS

ON PLAN

AIM Extend the scope of our ethical trading assessments to include all major UK and Republic of Ireland direct property suppliers by 2020.

PROGRESS We plan to use both the Supplier Ethical Data EXchange (SEDEX) and PICS databases to accommodate the different industries involved.

TARGET We've amended the wording of this commitment to more accurately reflect our activities:

Extend the scope of our ethical trading assessments to include UK and Republic of Ireland direct property suppliers by 2020.

PLAN A GOVERNANCE

As we implement **our plans to become a sustainable**, international multi-channel retailer, the M&S brand depends on how we manage our relationships and resources.

ROBERT SWANNELL CHAIRMAN



MANAGING PLAN A

Our Executive Plan A Committee meets every two months to provide leadership and alignment with our wider business strategy. Our Chief Executive Marc Bolland chairs the Committee, which includes all our executive directors plus additional senior managers with relevant specialist knowledge and responsibilities. He updates the full Board on the Committee's activities at least once a year.

Our Operational Plan A Committee meets every two months to ensure that social, environmental and ethical issues are integrated into our everyday activities. It reviews our progress against Plan A commitments, and the way in which we manage risks.

Working together with a small team of social, environmental and ethical specialists, our Director of Plan A, Mike Barry, supports all Plan A governance activities. His team focuses on developing policies and solutions, building stakeholder relationships and managing risks.

INTEGRATING PLAN A

Our Director of Plan A oversees Plan A implementation, budget management and co-ordination. Plan A managers and specialists on relevant issues, including health & safety and supply chain social compliance, work in our Food, General Merchandise, Retail, Finance, Property, Logistics, International and HR functions. Plan A Champions co-ordinate action across our stores and offices.

Many of our employees, including executive directors and Management Committee members, have Plan A performance targets, and all employees who deal directly with product suppliers are trained in

responsible buying techniques. Our Fit to Lead the Future values-based senior management training includes specific Plan A content and group challenges.

MANAGING SOCIAL, ENVIRONMENTAL AND ETHICAL RISKS

The full Board completes a Group Risk Profile every six months. Key social and environmental risks, such as climate change, are assessed separately, but are generally considered as contributory factors to wider business risks related to the M&S brand and operational and supply chain continuity. Information about our approach to risk management and our principal risks and uncertainties is included in our 2015 Annual Report.

Our Plan A 2020 commitments were developed and refined to ensure that they address our principal social and environmental risks. These were assessed against the materiality matrix shown on page 39. All commitments are assured and the most important have been subject to external assurance. They are denoted by **.

CERTIFIED INTERNATIONAL SOCIAL, ENVIRONMENTAL AND ETHICAL STANDARDS

Like most other major retailers, we use internally developed systems to keep pace in a fast-moving industry. These systems cover training, health & safety, environmental performance and quality. During 2013 we became certified to the ISO 50001 Energy Management standard for our stores in the UK and ROI. We've also followed a number of best practice standards in this report (see About this Report for more details).

We regularly update our Code of Ethics and Anti-Bribery Policy. Any breaches are reported to the Audit Committee.

PLAN A RISK PROFILE 2015













Our principal risks and uncertainties are detailed in our 2015 Annual Report. Plan A related issues are not considered as a principal risk but contribute to a number of uncertainties. This table summarises the key changes to our social and environmental risks over the past 12 months:

- In the UK, EU and globally, there is increased political uncertainty on policy, requiring us to work closely in collaboration with a wide range of stakeholders.
- Relatively low oil prices, combined with other economic factors, are placing financial pressures on renewable energy technologies and recycling industries – requiring our support.
- There is ongoing civil society and policymaker concern about supply chain management and transparency within the retail and branded clothing sectors, which is reflected in legislative proposals such as the UK's Modern Slavery Bill.
- To reflect the growing importance of our International business and franchises, Plan A is now starting to cover M&S operated and joint venture operations. We have conducted a detailed review of key issues in India.
- For M&S, overall sustainability risks remained broadly unchanged with actions on Plan A continuing to mitigate social and environmental risks.












PLAN A COMMITTEES

Executive and Operational Plan A committees meet every two months to provide leadership and assess implementation.

EXECUTIVE PLAN A COMMITTEE AS OF MAY 2015

				1 Marc Bolland Chief Executive	7 Dominic Fry Director of Communications
				2 Helen Weir Chief Finance Officer	8 Krishan Hundal Director of Technology, General Merchandise
				3 Patrick Bousquet-Chavanne Executive Director, Marketing & International	9 Paul Willgoss Director of Technology, Food Division
				4 Laura Wade-Gery Executive Director, Multi-channel	10 Mike Barry Director of Plan A
				5 John Dixon Executive Director, General Merchandise	11 Adam Elman Head of Global Delivery – Plan A (and Secretary)
				6 Steve Rowe Executive Director, Food	12 Carmel McQuaid Head of Sustainable Business

OPERATIONAL PLAN A COMMITTEE AS OF MAY 2015

				1 Mike Barry Director of Plan A	7 Krishan Hundal Director of Technology, General Merchandise
				2 Tanith Dodge Director of Human Resources	8 Paul Willgoss Director of Technology, Food Division
				3 Dominic Fry Director of Communications	9 Heather MacRae Corporate Governance
				4 Jonathan Glenister Director of Retail Operations	10 Carmel McQuaid Head of Sustainable Business
				5 Hugo Adams Director of Property and Store Development	11 Adam Elman Head of Global Delivery – Plan A (and Secretary)
				6 Rob Weston Director of Brand and Marketing	

PLAN A GOVERNANCE STRUCTURE

Sustainable Retail Advisory Board

The external Advisory Board meets twice a year and advises the Executive Committee on long-term sustainability activities.

Executive Plan A Committee

The Executive Plan A Committee meets every two months to review strategy and provide leadership.

Operational Plan A Committee

The Operational Plan A Committee meets every two months to review performance and risk.

JONATHON PORRITT

COMMENTARY

This year's external commentary reflects the views of several members of the Advisory Board, collated by its Co-Chair, Jonathon Porritt.



JONATHON PORRITT
FOUNDING DIRECTOR, FORUM FOR THE FUTURE



COMMENTARY ON BEHALF OF THE ADVISORY BOARD

This is a big year in the life of Plan A, looking back on the last five years and looking forward to 2020. By contrast, 2015 is just another year in the slightly longer story of contemporary corporate sustainability – the origins of which can reasonably be tracked back to 1990 and the establishment of the World Business Council for Sustainable Development in the run-up to the Earth Summit in Rio de Janeiro.

Corporate sustainability is now mature enough a concept to identify what success looks like for any individual company. And as one of the most commonly cited examples of successful corporate sustainability, how does M&S measure up in practice?

On the whole, this is a story of outstanding leadership, sustained over a prolonged period of time. The Advisory Board was created by Marc Bolland, as incoming CEO, specifically to help him and his Executive to keep aiming high. We're encouraged to act as 'critical friends', both at and between our twice-yearly meetings, and remain impressed at the level of openness and the quality of engagement that has characterised the Advisory Board's proceedings from the start.

Over the last year, we've been consulted specifically about how M&S should report against the high-level aim that was set under the former CEO: for M&S to become 'the world's most sustainable major retailer'. We are agreed that the overall approach adopted in this report is both appropriate and sufficiently robust; this is not about some arbitrarily-defined 'league table', after all, but about M&S constantly raising the bar for itself, and working with others to raise the bar for the whole retail sector – both in the UK and internationally.

A critical part of that challenge is to 'get the governance right'. How are decisions made, by whom, with what level of both internal and external scrutiny? What structures are being implemented to maximise the benefits of Plan A for M&S itself and for all its multiple stakeholders and beneficiaries? This may sound just a little bit geeky, but if this bit isn't working, then the rest won't work either.

Take the whole question of 'mainstreaming', for instance – 'distributing ownership' of a sustainability strategy across an entire leadership team? This has always been one of the core strengths of M&S as one of the few companies in which all the CEO's direct reports have an explicit sustainability objective – attached to a percentage of their bonus. This has worked pretty well, and it will be important to see this innovative approach properly reflected in the Annual Report.

A robust, integrated sustainability strategy also has to be able to weather the ups and downs in the corporate cycle. As the current iteration of Plan A emerged (Plan A 2020), in what has been a difficult trading environment for M&S, the Advisory Board has been concerned about the risk of a reduced ambition level – and an apparent intention to push some targets out to 2020 rather than adopt more ambitious dates. This is something we will be observing closely over the next couple of years, and we'll be keen to see the business bring forward some of those dates in order to maintain the kind of momentum on which staff engagement depends.

One particular focus will be on the social aspects of Plan A, particularly its supply chain. M&S remains completely committed to treating all its employees and suppliers with dignity, respect and equity. This necessarily goes way beyond legal compliance, especially with regard to the challenge of ensuring that all workers

involved in its supply chain are paid a 'fair living wage'. M&S has developed its own buying tool that allows it to take into account a fair living wage when setting the cost price for products made in Bangladesh, India, Sri Lanka and other locations. However, as last year's Report acknowledged, "this didn't automatically result in factories paying a fair living wage, so we're involved in a number of collaborative programmes to address this issue."

Most of the NGOs involved in this area now have such high expectations of M&S, on the basis of what it's achieved so far, that any perceived 'falling short' inevitably creates some reputational risk. And there is some concern here that M&S has not acted fast enough to deliver fully on its wider commitments..

In many other areas, M&S has played a crucial role in demonstrating what 'leading with others' really looks like, both in UK-based initiatives like the British Retail Consortium and the Institute of Grocery Distribution, and internationally through the Consumer Goods Forum. For example, it's been instrumental in bringing together the coalition of companies involved in the Movement to Work initiative here in the UK (page 24) and in building international support for the Global Alliance for Clean Cookstoves through its own (still exemplary) Carbon Offset Programme.

And in the run-up to the critical Climate Change Conference in Paris at the end of the year, it's good to see M&S very actively involved in the World Economic Forum's CEO Climate Leadership Group's initiative, emphasising the critical importance of the emerging Sustainable Development Goals, and urging other companies to commit to more ambitious decarbonisation targets. In this strange world where governments seem so reluctant to move without first

SUSTAINABLE RETAIL

ADVISORY BOARD

Our external Sustainable Retail Advisory Board is jointly chaired by our Chief Executive Marc Bolland and Founder Director of Forum for the Future, Jonathon Porritt. The Board meets every six months.

SUSTAINABLE RETAIL ADVISORY BOARD



- 1 **Marc Bolland**
M&S Chief Executive (Co-Chair)
- 2 **Jonathon Porritt**
Forum for the Future (Co-Chair)
- 3 **Aron Cramer** President and CEO BSR
- 4 **Martha Lane Fox**
M&S Non-Executive Director
- 5 **Mark Goldring**
CEO Oxfam GB
- 6 **Danny Truell**
CIO Wellcome Trust
- 7 **David Nussbaum**
CEO WWF UK
- 8 **Peggy Liu**
Chair of Joint US-China Collaboration on Clean Energy
- 9 **Joanna Lumley**
Worldwide Ambassador of Plan A
- 10 **Ritu Kumar**
Director TERI-Europe

Jonathan Porritt's commentary
continued from p36

getting big business on board, this kind of leadership really matters.

Finally, one of the most important areas where the Advisory Board has been closely involved over the last year is the strategy to bring Plan A to life with M&S consumers – the vast majority of whom have little awareness of Plan A and everything it stands for. Even though Plan A is indisputably one of the most powerful representations of M&S values, its consumers have historically seen little of this, either in the stores or online.

The Advisory Board has been hugely encouraged by the recent progress made on this score, as part and parcel of putting Plan A at the heart of the M&S masterbrand.

The fruits of this will not be seen until later in the year, but it represents a major milestone in the Plan A journey.

Indeed, this may well be the biggest test of all for any consumer-facing company: how successful can it be in mobilising its consumers in shifting both mindsets and behaviour towards more sustainable lifestyles? And beyond that, how creative can it be in opening an even deeper discussion about the problems of overconsumption (especially in the rich world) and the need to radically dematerialise our lifestyles?

These are some of the toughest questions society as a whole is now having to face up to, and we should celebrate the readiness

of companies such as M&S to take the lead here. It would, after all, be so much easier to adopt a less engaged role, leaving it all up to governments and individual citizens.

On challenges of this kind, there's no doubt that Plan A has stood the test of time, and has allowed M&S to demonstrate continuing leadership at all three different levels of corporate sustainability: company-specific; through cross-sectoral collaborations; and representing business more widely in society. All these levels are fairly and impressively represented in this Report.

GOVERNANCE

ABOUT THIS REPORT

This is our twelfth annual report on our **social and environmental performance**. Published in June 2015, it covers our financial year from April 2014 to March 2015.

AUDIENCE

Many stakeholders are interested in our social and environmental performance. To make sure our report serves the needs of a varied audience, we've tried to provide a balance of detailed data as well as easy-to-read performance summaries. The report has been written primarily for an external audience, although we share the information it contains with employees and customers, in different formats. You can find more information about all our commitments at: corporate.marksandspencer.com/plan-a

REPORT STRUCTURE

The Plan A Report 2015 is structured differently to our previous reports, reflecting the feedback on our 2014 Report. Stakeholders told us that they found its structure (which was based on our new values of Inspiration, Innovation, Integrity and In Touch) difficult to navigate. We've responded by adopting a structure of more commonly understood headings based on the Global Reporting Initiative (GRI).

The first section of the 2015 Plan A Report contains senior management commentaries on our progress, the highlights from the past year and the challenges ahead. This is followed by a systematic update against the 100 commitments contained in our Plan A 2020 sustainability strategy, under the four GRI headings: Economic, Environmental, Social, and Supply chain.

The report also explains how we manage social and environmental issues through our Governance structure. Independent review is provided in the form of commentary and assurance, whilst awards and benchmarks are included at the end of the Report.

SCOPE

This report covers all M&S operated activities and joint ventures. Worldwide data is included for greenhouse gas emissions, energy efficiency, gender diversity, employee Your Say survey results, work experience initiatives, Plan A aspects of training and community programmes. However, as we're still developing our systems for operations outside of the UK and Republic of Ireland, we're not currently able to provide global data on: waste, water, diversity (other than gender), employee turnover, health & safety or training.

The Report covers all M&S products no matter where in the world they're sold but not the small proportion of non-M&S products we also sell.

The report does not contain operational information relating to our business partners, such as M&S Bank (operated by HSBC) M&S Energy (operated by SSE) the 300 M&S Food stores operated under franchise in the UK or International franchises.

DATA

The relevance of data and measurements included in this report has been reviewed at least twice during the reporting year by M&S management. There were no significant structural changes to our business during 2014/15. Most of the data and statements in this report relate to the financial years 2014/15, 2013/14 and 2006/07 (our baseline year prior to the launch of Plan A). Where target completion years are stated as 2015 or 2020 these are taken as meaning by 31 March in that year unless otherwise stated. To ensure consistency, we have included some calendar year data, in a format which has been quoted elsewhere. This data is marked with an asterisk*. Where we refer to events which occurred after the end of our 2014/15 financial year, we've quoted a date.

We reserve the right to amend published commitments during the time up to 12 months before the planned date of completion. We will always highlight where commitments have been amended and explain the reasons why. We will not amend commitments inside their final 12 months of completion.

In line with UK legislation, our 2006/07 and 2013/14 baseline greenhouse gas emission calculations are now fixed other than for the retrospective correction of errors or the inclusion of previously missing data. We have retrospectively adjusted our 2006/07 data by adding a conservative estimate of emissions for our International operations that were previously not included. We have also retrospectively adjusted 2013/14 data by adding five international warehouse locations omitted in error and deleting one in the UK that shouldn't have been included. Greenhouse gas emissions for 2014/15 have been calculated using DEFRA/ DECC's 2014 Greenhouse Gas Reporting Guidance, which includes an 11% higher carbon intensity rating for UK grid electricity adding around 35,000 tonnes CO₂e to our stated emissions compared to 2013/14. Renewable electricity tariffs and bio-methane have been calculated in accordance with the March 2015 WRI/ WBCSD Scope 2 Guidance on procured renewable energy to contribute towards a net or market based figure.

CATEGORISING OUR PERFORMANCE

Since 2008 we've adopted a consistent approach of categorising our performance against our Plan A commitments as being either: Not started, Behind plan, On plan, Achieved or Not achieved. Commitments that we continue to report beyond their stated date of completion are additionally shown as 'ongoing'. Commitments successfully completed later than the stated completion date are shown as Achieved-late.

FIND OUT MORE

[+ Read more about Risk Management in our Annual Report 2015](#)

CARBON NEUTRALITY

The stores, offices, warehouses and delivery fleets operated by Marks & Spencer or in joint ventures worldwide have been self certified as carbon neutral in accordance with British Standards Institute's PAS2060 at 30 April 2015 for the period commencing 1 April 2014 to 31 March 2015 with a commitment to maintain carbon neutrality at least up to 31 March 2020. This means that in addition to significantly reducing emissions and purchasing renewable electricity tariffs compliant with WRI/ WBCSD Scope 2 Guidance on procured renewable energy, we have sourced a portfolio of high-quality carbon credits and a quantity equal to the remaining gross carbon emissions has been retired. You will find further supporting documentation at: corporate.marksandspencer.com/plan-a

REPORT TECHNICAL STANDARDS

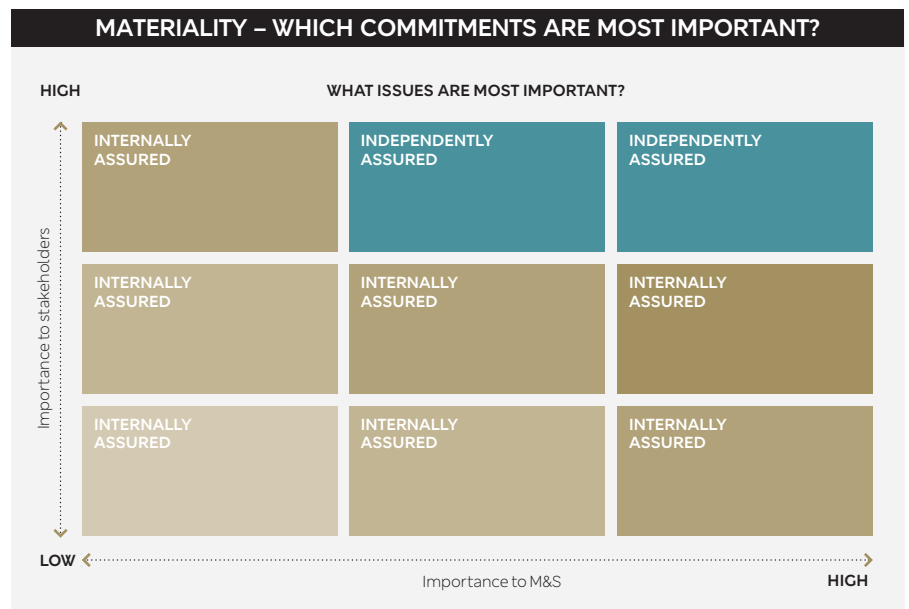
We have used our Plan A 2020 commitments to structure this report. To provide a common point of reference we have also used the Global Reporting Initiative fourth generation framework, G4, as a secondary index. GRI G4 references can be found on page 43.

LEGAL COMPLIANCE

We had no environmental or health & safety prosecutions in 2014/15.

KEY IMPACTS, MATERIALITY AND ASSURANCE

A wide range of social, environmental and ethical issues have an impact on our business, either directly or through our global supply chains. Consequently, we have to manage a continually evolving set of issues. We have developed and updated our Plan A sustainability programme with the help of stakeholders in order to address our key social and



environmental challenges. This most recent version of Plan A, known as Plan A 2020, was launched in 2014 and was used to determine the materiality of the issues that this report covers.

Plan A 2020 commitments were further assessed for materiality by M&S management, who ranked them in terms of their 'importance to stakeholders' and 'importance to M&S' on a 3 x 3 matrix. The positions on the matrix were then reviewed and amended where necessary according to direction from by EY. Around 40 commitments were rated as being of 'high importance to stakeholders' and either 'high or medium importance to M&S' (see below). EY have been commissioned to provide independent assurance using both AA1000 AS and ISAE 3000 standards on these commitments, which are denoted by ** in the performance section of this report. See the assurance statement on

pages 40 and 41. All other commitments were subject to review and assurance provided by the Marks & Spencer Internal Audit team.

You can find further information on our social, environmental and ethical policies at: corporate.marksandspencer.com/plan-a

M&S ANNUAL REPORTS

Our 2015 Annual Report contains a comprehensive review of our financial performance and governance. It is published online, along with this report. Both can also be downloaded in PDF at: corporate.marksandspencer.com/investors

INDEPENDENT ASSURANCE STATEMENT

To the management of Marks and Spencer Group plc

The Marks & Spencer Plan A Report 2015 (the Report) has been prepared by the management of Marks and Spencer Group plc, which is responsible for the collection and presentation of the information within it. Our responsibility, in accordance with management's instructions, is to carry out a 'limited level' assurance engagement on the Report. We do not accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on the Report is entirely at its own risk.

WHAT WE DID TO FORM OUR CONCLUSIONS

Our assurance engagement has been planned and performed in accordance with ISAE3000¹ and to meet the requirements of a Type 2 assurance engagement as defined by AA1000AS (2008)². The AA1000AS (2008) assurance principles of Inclusivity, Materiality and Responsiveness have been used as criteria against which to evaluate the Report.

In order to form our conclusions we undertook the steps outlined below:

1. Reviewed progress made in relation to selected Plan A commitments. Included within our review were the following commitments: Integrated Plan A marketing, Identifying Plan A products, My Plan A, Customer clothes recycling, Eat Well, Promoting healthy food, Youth employment at M&S, Youth employment outside M&S, Marks & Start, Marks & Start International, Employee diversity, Global community programme, New Global Sourcing Principles, Products with Plan A qualities, M&S food nutritional content, Environmentally efficient food packaging, Leather tanning and dyeing, Sustainable cotton 1, Sustainable wood, Food sustainable key commodities,

Responsibly farmed fish, Sustainable food factories, M&S Farming for the Future, Chemical and effluent management in dyeing, Transparency, Clothing supply base list, General Merchandise traceability, Partnership benefits, Reported data (Community donations, UK and ROI Health & Safety, Supplier social compliance assessments, wild fish sourcing), Food waste, General Merchandise Sustainable Learning Products, Logistics carbon footprinting, Carbon neutral operations, UK and ROI energy efficiency – Part 1, International energy efficiency, Renewable electricity, Bio-methane, Fuel efficiency, Store refrigeration – emissions, Store refrigeration – replacing HFCs, No waste to landfill – operations, Water usage, Extend construction initiatives, Store development assessments.

2. Reviewed Marks & Spencer's approach to stakeholder engagement through interviews with management and employees. Our discussion with employees focused on the following areas: Promoting healthy food, New Global Sourcing Principles, M&S Farming for the Future. We also reviewed selected associated documentation on stakeholder engagement, including meeting minutes from Marks & Spencer's Sustainable Retail Advisory Board.

3. Reviewed the coverage of material issues within the Report against key issues and areas of performance covered in external media reports and the sustainability reports of Marks & Spencer's peers, selected outputs from stakeholder engagement activities, and the topics discussed by Marks & Spencer's Plan A Governance forums.

For the selected Plan A commitments (listed above and denoted by ** in the Report) we:

4. Interviewed a selection of Marks & Spencer managers responsible for managing progress towards the commitments to understand current performance and the mechanisms for measuring progress.

5. Reviewed relevant documentation, such as guidance documents, status reports, meeting minutes and independent third-party reports, for consistency with claims of progress made.

6. Reviewed the Report for the appropriate presentation of the data including the discussion of limitations and assumptions relating to the data presented.

LEVEL OF ASSURANCE

Our evidence gathering procedures have been designed to obtain a limited level of assurance (as set out in ISAE3000) on which to base our conclusions. The extent of evidence gathering procedures performed is less than that of a reasonable assurance engagement (such as a financial audit) and therefore a lower level of assurance is provided.

THE LIMITATIONS OF OUR REVIEW

- We have not tested source data used to compile Group-level performance updates on the Plan A commitments.
- We did not interview Marks & Spencer employees at stores or warehouses.
- Our assessment of materiality has focused on the topics addressed by Marks & Spencer's Plan A.

OUR CONCLUSIONS

Based on the scope of our review our conclusions are outlined below:

INCLUSIVITY

Has Marks & Spencer engaged with stakeholders to seek feedback on and refinement of Plan A?

1. ISAE 3000 – International Federation of the Accountants' International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information.

2. AA1000AS (2008) – The second edition of the AA1000 assurance standard from the Institute of Social and Ethical Accountability.

Several of the new Plan A 2020 commitments consist of both 2015 goals and longer-term goals to be achieved by 2020.

ERNST & YOUNG
MAY 2015

→ We are not aware of any key stakeholder groups which have been excluded from engagement.

→ We are not aware of any matters that would lead us to conclude that Marks & Spencer has not applied the inclusivity principle in developing its approach in relation to Plan A.

MATERIALITY

Has Marks & Spencer provided a balanced representation of material issues concerning its performance against Plan A?

→ We are not aware of any material aspects concerning Marks & Spencer's performance against Plan A which have been excluded from the Report.

→ Nothing has come to our attention that causes us to believe that Marks & Spencer management has not applied its processes for determining material issues to be included in the Report, as described on page 39.

RESPONSIVENESS

Has Marks & Spencer responded to stakeholder concerns and feedback on Plan A?

→ We are not aware of any matters that would lead us to conclude that Marks & Spencer has not applied the responsiveness principle in considering the matters to be reported with regards to the performance update on Plan A.

COMPLETENESS AND ACCURACY OF PERFORMANCE INFORMATION

How complete and accurate are the performance data and claims for the selected Plan A commitments (listed above and denoted by ** in the Report).

→ Nothing has come to our attention that causes us to believe that the data relating to the selected Plan A commitments has not been collated properly from Group-wide systems.

→ We are not aware of any errors that would materially affect the data as presented in the Report for the selected Plan A commitments.

→ We have reviewed the performance update against the selected Plan A commitments and we are not aware of any misstatements in the assertions made.

OBSERVATIONS AND AREAS FOR IMPROVEMENT

Our observations and areas for improvement will be raised in a report to Marks & Spencer management. Selected observations are provided below. These observations do not affect our conclusions on the Report set out above.

→ A number of Plan A 2020 commitments drew to a close this year. For a number of these Marks & Spencer has set itself new stretching targets, notably for leather tanning and dyeing. For other commitments which have been achieved or not achieved, Marks & Spencer has yet to set future targets and will need to consider how to provide information on ongoing activities that are of interest to stakeholders. Examples include identifying products with Plan A qualities, Eat Well, Responsibly farmed fish and Fuel efficiency.

→ Several of the new Plan A 2020 commitments consist of both 2015 goals and longer-term goals to be achieved by 2020. Marks & Spencer has achieved the initial 2015 goals for several of its new commitments and described the processes now in place to deliver against them up to 2020. Examples include the Global sourcing community programme, Transparency and M&S Farming for the future. From next year, Marks & Spencer will need to clearly define the outcomes to be achieved from these commitments and ensure that it can measure progress

towards these outcomes with meaningful metrics.

→ This year Marks & Spencer has developed its measurement approach for food waste and set out a target to reduce food product waste in its stores by 20% per square foot against a 2013/14 baseline. Food waste is an increasingly important issue for customers and other stakeholders. As such, retail sector peers are already disclosing the volumes of food waste they generate each year. Whilst Marks & Spencer has provided useful background information on the proportion of food waste it has avoided in stores, in future years it should consider aligning with stakeholder expectations by disclosing actual volumes of food waste.

OUR INDEPENDENCE AND EXPERIENCE

This is the twelfth year Ernst & Young LLP has provided independent assurance services in relation to Marks & Spencer's Plan A Report. We have provided no other services relating to Marks & Spencer's reporting of social, environmental and ethical matters.

Our assurance team has been drawn from our global environment and sustainability network, which undertakes similar engagements to this with a number of significant UK and international businesses.

Ernst & Young LLP
London
May 2015

STAKEHOLDER RELATIONSHIPS

Our relationships are important to Plan A and M&S more generally. This table shows a very brief summary of our stakeholder dialogues **over the past 12 months**.

OUR STAKEHOLDERS	HOW WE LISTEN	WHAT THEY'VE TOLD US	WHAT WE DID
Customers	<ul style="list-style-type: none"> → Monitoring sales of products → Participation in Plan A activities and campaigns → Contacts to our Retail Customer Services → Feedback through our Plan A email → Research and surveys → Social media 	<p>Some of our customers participate in Plan A activities.</p> <p>The majority regard Plan A as an important part of the M&S brand alongside other considerations such as quality and value.</p>	<p>We're continuing to develop Plan A activities that make it easy for customers to participate, such as Shwopping and our recent 'Follow the Fairies' Random Acts of Kindness campaign.</p>
Employees	<ul style="list-style-type: none"> → Plan A Champions → Business Involvement Groups → Feedback through our Plan A email → Annual Your Say survey → Participation in Plan A activities and campaigns 	<p>Our employees would like us to more actively promote what we do on Plan A to our customers. Some office employees would also like further opportunities for involvement in Plan A beyond the largely technical ownership of many of the activities.</p>	<p>We're developing plans on the best way to integrate Plan A activities into our marketing campaigns.</p>
Shareholders	<ul style="list-style-type: none"> → Annual General Meeting → Meetings with institutional investors → Survey of institutional investors → Ethical investment surveys 	<p>Shareholders have been involved in activities on Integrated Reporting and Natural Capital Accounting.</p>	<p>Our 2015 Annual Report reflects integrated reporting principles and we've agreed to trial the global Natural Capital Accounting protocols.</p>
Suppliers	<ul style="list-style-type: none"> → Supplier conferences → Tendering processes → Supplier Exchange website and network → Visits and meetings → Agricultural shows 	<p>Our suppliers continue to work closely with us on Plan A and in particular our Global Community Programme and new Global Sourcing Principles.</p>	<p>Use our Supplier Exchange network, conferences and workshops to develop and communicate best practices.</p>
Government and regulators	<ul style="list-style-type: none"> → Meetings → Dialogues with trade associations → Responses to consultations → Plan A stakeholder conference 	<p>Policymakers have focused on supply chain management (Modern Slavery Bill), late payments to suppliers, waste and the circular economy and the International climate conference in Paris in December 2015.</p>	<p>We've participated in the consultation processes and supported NGO positions where we've agreed with them.</p>
Non-governmental organisations (such as WWF, Oxfam, RSPCA, Greenpeace, Friends of the Earth and the UK Green Building Council)	<ul style="list-style-type: none"> → Visits and meetings → Participation in benchmarking and surveys → Joint projects → Plan A stakeholder conference 	<p>NGOs continue to talk to us about raw material sourcing, supply chain management, living wage, food waste, and the impacts of climate change. They look to M&S to show leadership and to collaborate in order to achieve progress.</p>	<p>We continue to work in a wide range of NGO collaborations, many of which are featured in the detail of this report.</p>

Your views

By email to: PlanA@marks-and-spencer.com

Alternatively write to us at: Marks and Spencer Group plc, Plan A Department, 5 Merchant Square, North Wharf Road, London W2 1AS.
Further information and our previous reports are available from our website at: corporate.marksandspencer.com/plan-a

GLOBAL REPORTING INITIATIVE

G4 CONTENT INDEX

GENERAL STANDARD DISCLOSURES

	GRI REFERENCE	INCLUSION	PAGE
Strategy	1	✓	I
	2	✓	AR
Profile	3, 4, 5, 6, 7	✓	IFC
	8, 9	✓	38
	10	✓	23
	11	✓	W
	12, 13, 14, 15, 16	✓	38
	17, 18, 19, 20, 21, 22, 23	✓	39
	24, 25, 26, 27	✓	36, 42
DEFINING MATERIALITY	28, 29, 30	✓	38
STAKEHOLDER ENGAGEMENT	31	✓	43
REPORT PROFILE	32	✓	39
	33**	✓	40-41
GOVERNANCE	34, 35, 36, 37, 38, 39, 40, 42, 43, 44, 45, 46, 47, 48, 49	✓	38-36
	41, 44, 51, 52, 53	✓	AR
	54	✓	AR
	55	✓	
ETHICS & INTEGRITY	56	✓	IFC, 34
	57, 58	✓	W

SPECIFIC STANDARD DISCLOSURES

	GRI REFERENCE	INCLUSION	PAGE
ECONOMIC	EC1, EC3	✓	AR
	EC2	✓	CDP
	EC4, EC7, EC8, EC9	-	
	EC5, EC6	✗	
ENVIRONMENT	EN1**, EN2, EN28**	✓	19
	EN3**	✓	17 (978 CWhs)
	EN5**, EN6**, EN15** to EN19**, EN30**	✓	17-22
	EN4** EN7	✓	CDP
	EN8**, EN12**	✓	20
	EN23**	✓	18
	EN27**	✓	12, 29
	EN29	✓	39
	EN32**, EN33**, EN34**	✓	12, 29
	EN9, EN10, EN11, EN13, EN14, EN20, EN21, EN22, EN24, EN25, EN26	-	
	EN31	✓	
EMPLOYMENT	LA2, LA4, LA5	✓	W
	LA6**, LA9**, LA12**	✓	25-26
	LA11	✓	W
	LA14**, LA15**	✓	29
	LA1, LA3, LA7, LA8, LA10, LA13, LA16	✗	
HUMAN RIGHTS	HR1**, HR10**	✓	29
	HR3** to HR6**, HR11**	✓	29
	HR7, HR8, HR9	✓	
	HR2, HR12	✗	
COMMUNITY	SO1	✓	27-28
	SO4	✓	34
	SO6	✓	AR
	SO9**, SO10**	✓	21, 29
	SO2, SO3	-	
	SO5, SO7, SO8, SO11	✗	
PRODUCTS	PR1**, PR3**	✓	19
	PR5	✓	AR
	PR6	-	
	PR2, PR4, PR7, PR8, PR9	✗	

**Assured by EY LLP
IFC: Inside Front Cover
AR: Annual Report
W: Plan A website
CDP: Carbon Disclosure Project (cpd.net)

✓ Included
✗ Not included
✓ Part-included

INDEPENDENT RECOGNITION

Since we launched Plan A in 2007 we have received over 220 awards covering all aspects of sustainability. These pages show the most recent.

2013

Ethisphere
2013 World's Most Responsible Companies

Drinks Retailing Awards
2013 Ethical Retailer of the Year

Sustain Magazine
2013 Award for Construction (Cheshire Oaks stores)

Sustain Magazine
2013 Award for Retail Hospitality and Tourism (Cheshire Oaks stores)

The Sustainable Cities
2013 Award for sustainable Fashion

The Times
2013 Top 50 Employers for Women

Business in the Community Corporate Responsibility Index
Platinum Plus performer 2013

Business in the Community Excellence Awards
Platinum Big Tick 2013

The Environment and Energy Awards
2013 Sustainable Business of the Year

The Big Society Awards
2013 Award (Shwopping)

Retail Week Awards
2012 Best CSR Initiative (Shwopping)

PEA Business Awards
2013 Construction and building (Cheshire Oaks)

Resource Revolution Awards
2013 Closed Loop Exemplar (with Somerset Waste Partnership)

Guardian sustainable Business Awards
2013 Built environment (Cheshire Oaks)

GroceryAid Achievement Awards
2013 Gold Achievement Award

Which?
2013 Most Trusted Brand Award

Finance for the Future
2013 Large Business Awards

Business Responsibility Awards (India)
2013 Best Large Corporate Sustainability Endeavour

Business Green Leaders Awards
2013 Company of the Year

Chartered Institute of Personnel Development's Awards
2013 Health and Wellbeing

CarbonClear carbon Reporting
2013 Top FTSE 100 company

C&E Corporate-NGO partnership barometer
2013 Most Admired Partnering Company

C&E Corporate-NGO partnership barometer
2013 Most Admired Corporate Partnership (M&S and Oxfam)

Compassion in World Farming European Good Farm Animal Welfare Awards
2013 Best Retailer

Compassion in World Farming European Good Farm Animal Welfare Awards
2013 Best Performing Retailer

British Council of Shopping Centre Awards
2013 Sustainability Gold Winner (Cheshire Oaks)

2014/15

Ethisphere
2014 World's Most Responsible Companies

Carbon Trust Standard
2014 Carbon

Carbon Trust Standard
2014 Water

Carbon Trust Standard
2014 Waste

Golden Peacock Global Award
2013 Corporate Social Responsibility

CIBSE Building Performance Awards
2014 New Build Project of the Year (over £10m)

CIBSE Building Performance Awards
2014 Carbon Champion of the Year

Design Effectiveness Awards
2014 Silver Design for Society (Shwopping with Landor Associates)

Storage Handling Distribution Logistics Awards
2014 Corporate Responsibility and Overall Winner (for Marks & Start)

Greenpeace Sustainable Tinned Tuna League Table
2014 Joint Market Leaders

Marine Conservation Society
2014 Joint Leaders

The Guardian Britain's Top Employers
2014 Certified as a Top Employer

The Times
2014 Top 50 Employers for Women

National Business Awards for Environment & Corporate Sustainability
2015 Ruban D'Honneur Recipient



Ethical Consumer Magazine

2014 Most Ethical High St Clothing Retailer

Letsrecycle.com awards for excellence

2014 Waste management in the commercial sector (with Helistrat)

Business Charity Awards

2014 Overseas Project (UNICEF)

Business Charity Awards

2014 Employment Scheme
(Make Your Mark)

International Wine Challenge Awards

2014 Corporate Social Responsibility

C&E Corporate-NGO partnership barometer

2014 Most Admired Partnering Company

C&E Corporate-NGO partnership barometer

2014 Most Admired Corporate Partnership
(M&S and Oxfam)

European Business Awards for the Environment

2014 National Champion

Carbon Clear FTSE 100 carbon management performance

2014 Joint- top company

Institute of Grocery Distribution (IGD) Awards

2014 Employability Winner (Make Your Mark)

Institute of Grocery Distribution (IGD) Awards

2014 Sustainable Future Winner

The Mayors Funds for London Awards

2014 Work Experience Provider

Point-of-Purchase Association Industry

2014 Bronze Sustainability Award
(recycled acrylic sign holders)

Corporate Engagement Awards

2014 Best environmental or sustainability
programme winner (Shwopping)

Corporate Engagement Awards

2014 Bronze for stakeholder
communications
(Plan A supplier conference)

Forest Footprint Disclosure Project

2014 Best General Retail Sector Performer

Golden Peacock Global Award

2014 Sustainability

Cohn & wolfe Authentic Brands Study

2014 Most authentic brand in the UK

Green Apple Awards

2014 UK Retail Sector Green Champion

Corporate Knights

2015 Global 100 Most Sustainable
Corporations in the World

Business in the Community Ireland

2015 Working Responsibly Mark

Business in the Community Northern Ireland

2014 Platinum Arena Network
Benchmarking Survey Award

Mayor of London's Business Energy Challenge

2014 Bronze Award

Britain's most admired companies

2014 Community & Environmental
Responsibility Winner

Ethical Consumer

2014 Joint-winner Most Ethical
Supermarkets

Ethisphere 2015

World's Most Responsible Companies

Forest 500 rankings on tropical deforestation

2015 Top Rated Retailer

Great Places to Work Institute India

2015 Top 10 Best Companies to Work for
in the Retail Industry in India

Business Benchmark on Farm Animal Welfare

2015 Joint-top

National CSR Awards

2015 Overall Excellence in CSR

National CSR Awards

2015 Special Judges Recognition for Legacy

The Times

2015 Top 50 Employers for Women

Building Magazine Awards

2015 Test of Time Award for Cheshire Oaks
(with Simons)

Guardian Sustainable Business Awards

2015 Natural Capital Impact



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