



M&S
SIMPLY
FOOD

YOUR M&S

How We Do Business Report 2011

What's in this report



Marks & Spencer is one of the UK's leading retailers with around 21 million customers visiting our stores every week.

We sell high quality, great value clothing and home products and outstanding quality food. We source our products responsibly from 2,000 suppliers around the world. Over 78,000 people work for M&S in the UK and in 42 territories overseas, where we have a growing international business. Our core values of Quality, Value, Service, Innovation and Trust are as important to us today as they were when M&S was founded over 125 years ago.

In 2010/11 we recorded **sales of £9.7bn and Underlying Group profit before tax of £714.3m**. We are the UK's largest clothing retailer with a market share of 12.3% (by volume) and 3.9% of the UK food market. Almost all the clothing, food and home products we sell are own-brand. Our International business now accounts for 10% of Group revenue at £1bn.

Marks and Spencer Group plc is a public limited company listed on the London Stock Exchange. Our principal trade associations are the Confederation of British Industry (CBI) and the British Retail Consortium (BRC). We were founding members of Business in the Community (BitC).

Cover image: Our new Sustainable Learning Store at Ecclesall Road in Sheffield with living wall and 'green' roof.

Section 1: Introduction

If you're looking for a broad overview of how we've done on Plan A to date, look at the Introduction section on pages 01 to 03

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We have seven Plan A pillars. In each pillar we have a number of objectives and each objective is split into a number of specific commitments.

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Why not visit the Plan A website?
marksandspencer.com/plana



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Welcome



“Sustainability is central to how we do business and Plan A will help us to stay ahead in a fast moving world.”

Marc Bolland Chief Executive Officer

Plan A is now integral to the spirit and substance of Marks & Spencer – something that really can be found ‘Only at your M&S’. Four years on from its launch, Plan A is delivering real benefits to our customers, employees, shareholders and suppliers as well as local communities and the environment. Our new Sustainable Learning Store at Ecclesall Road in Sheffield, shown on the front cover of this report, is a great example.

This report is my first as Chief Executive and the eighth that Marks & Spencer has published on its social, environmental and ethical performance. This year’s report is a little longer because it covers the 100 commitments we launched in 2007 plus the additional 80 we introduced when we published an updated version of Plan A in 2010.

I’m pleased to tell you that we’ve now achieved 95 of the 180 Plan A commitments we set ourselves in 2007 and 2010, resulting in a reduced environmental footprint, a positive contribution to communities, increased efficiencies, greater innovation and additional business. This year, Plan A has contributed a net benefit of over £70m, up on the £50m last year, which has been invested back into the business.

We’ve also improved how we use Plan A to involve the people who care about our business and its future. We’ve distributed free home energy monitors to employees and offered them free insulation for their homes, held a series of high profile Plan A Supplier Conferences and most importantly run events throughout the year for our customers. These included our two ‘One Day Wardrobe Clear-out’ events, the national Butterfly Count, Fairtrade Fortnight, Gadget Recycling, Breakthrough Breast Cancer events and the World’s Biggest Coffee Morning with Macmillan Cancer Support. I want to encourage our customers to become even more involved in Plan A over the next few years.

Over the past 12 months we’ve also changed the way Plan A is managed and there is now greater board level involvement with bi-monthly meetings to ensure our full executive team play an active role in defining Plan A strategy. We’ve also established an external advisory board to help support our journey to becoming the world’s most sustainable major retailer. Chaired jointly by myself and Jonathon Porritt, Founding Director of Forum for the Future, it includes independent sustainability experts from academia, industry and leading NGOs – to help us maintain our leadership and think beyond 2015. In a fast moving world in which technology and social media has imposed absolute transparency on all businesses, I believe that Plan A will help M&S stay ahead and use this ready availability of information to our advantage.

Marc Bolland Chief Executive Officer



“I believe strongly that a sustainable business is a good business. That’s where Plan A comes in. Plan A is about securing the future success of Marks & Spencer, its shareholders, employees and suppliers.”

Robert Swannell Chairman

A year of progress and change

by Richard Gillies, Director of Plan A,
CSR and Sustainable Business



“Backed by a strong business case, Plan A is at the heart of the exciting new growth plans for M&S, both in the UK and internationally.”

Richard Gillies Director of Plan A,
CSR and Sustainable Business

Plan A
commitments
already achieved

95

Plan A
commitments
on plan

77

Plan A
commitments
behind plan
(1 on hold)

7

This year has been another period of good progress for Plan A. We've addressed the 80 new commitments launched last year, improved the way we manage sustainability, set up an external advisory board, extended Plan A to our international businesses and started to involve our employees and customers much more.

How would you sum up your progress on Plan A this year?

Out of the 180 commitments we launched in 2007 and 2010 we've now achieved 95 while 77 are on target, one (on bio-diesel) is on hold and seven are currently behind plan. Net benefits from Plan A have increased to over £70m this year, thanks to a combination of efficiency savings and new business.

We've improved how we manage Plan A. Senior managers with key Plan A responsibilities now meet every month and provide information to update the full Board every two months. All Executive Directors and members of the Management Committee have Plan A targets that directly contribute towards their personal performance bonus. We've also set up a Plan A Innovation Fund to manage the £50m we intend to spend on Plan A related innovations over five years. The Fund has already supported a range of projects including trials on extending the life of food and developing more sustainable clothing fabrics.

What would you pick out as the Plan A highlights from 2010/11?

We've achieved a lot this year – as the detailed information in the second half of this report shows. However, referring to our new Plan A pillars – Involving customers and Making Plan A how we do business, I would single out the greater level of involvement with our customers. The two 'One Day Wardrobe Clear-out' events that we ran with Oxfam, along with collections throughout the year, encouraged over half a million customers to donate 3 million garments. We also involved customers in the national Butterfly Count, Gadget Recycling, our 100 day Charity Challenge, World's Biggest Coffee Morning with Macmillan Cancer Support, Breakthrough Breast Cancer and the Prostate Cancer Charity.

We distributed nearly 38,000 free energy monitors to employees and also provided 4,000 with free home insulation. We also introduced one day's paid leave for volunteering. We were listed in the Times' Top 50 employers for women, who now account for 48% of our store managers and 32% of our senior management.

We've set-up a range of programmes with our food suppliers, growers, farmers and clothing factories to develop sustainability frameworks for measuring progress on energy, waste, water and employment standards. Our UK Plan A Supplier Conference held in February 2011 was attended by over 1,200 people. We also held around 20 smaller-scale conferences around the world.

On Climate change, we've improved energy efficiency in our stores by 23% (after weather adjustment) and warehouses by 24% against 2006/07. We've also met our target to improve the fuel efficiency of our delivery fleets by 20%. Our total carbon emissions have been reduced by 13%, down by over 90,000 tonnes CO₂e from 2006/07 whilst our sales floor footage has continued to grow.

The big news on Waste is that we're now recycling 94% of all the waste we generate from our stores offices and warehouses. Total waste is down by over a third and we're taking further action to reduce food waste. We've also met our 25% target to reduce non-glass packaging per item sold against 2006/07, a year ahead of plan.

On Natural resources, 90% of wild fish (last year 62%) and 76% of wood (last year 72%) now meet our sustainable sourcing standards. We've also made good progress on sourcing sustainable palm oil, canned beef and leather.

We've invested £12.3m in community projects equivalent to 1.6% of pre-tax profits

1.6%

M&S store, office and warehouse waste recycled in 2010/11

94%

↓
Palm Oil Working towards our aim of only using sustainable palm oil by 2015, we launched an additional 35 products (including cookies) made with certified sustainable palm oil and bought GreenPalm certificates to cover all other M&S products.

↓
Indigo Green In 2011 we launched our first range of clothing inspired by Plan A featuring garments made with more sustainable fabrics.



On Fair partner, we've continued the extension of our Ethical Model Factory programme into India and provided training to 37,000 workers in our supply chains. We've also continued to increase our range of Fairtrade food.

New ranges have helped to bring Health and wellbeing to life for our customers including the launch of Eat Well healthier snacks (with 150 calories or less), Simply More (containing beneficial ingredients), Lovely Vegetables prepared dishes and Super Soy meat alternatives. We also continued to extend our Count on Us and Simply Fuller Longer diet ranges.

Are there any areas of Plan A where you would like to be doing better?

Plan A is a journey, so we still need to maintain progress across the board. However, there are also a few areas where our progress has not been as good as we'd have liked.

We've had to evolve our plans to become carbon neutral in response to changes in government policy on renewable energy, during this administration and the previous one. But we're now on plan to meet our target to become carbon neutral. We've also struggled to identify steps to meet our water efficiency targets but we now have a robust plan to achieve our 20% reduction target by 2012.

It's clear that some parts of the UK food market have changed. Sales of organic food have declined and our customers are currently choosing high animal welfare pork and turkey products over free range alternatives. We've had to respond accordingly.

Finally, despite being the world's largest retailer of Fairtrade cotton clothing we've struggled to increase volumes significantly. With the benefit of hindsight, we need to improve the way we buy more sustainable cotton and we expect to make better progress from 2012 onwards.

How do you see Plan A progressing beyond your 2012 targets?

Because of the way Plan A has developed over the past four years, over 130 of our commitments end in full or in part by 2012 – but it's important to stress that we see 2012 as a staging post and not a destination.

We're already thinking hard about what our aim to become the world's most sustainable major retailer means. Thankfully, in our external advisory board, we've secured the help of an impressive group of people who can assist us on the journey ahead.



Involve our customers in Plan A



We've helped to raise over **£14m** for **Breakthrough Breast Cancer** in 10 years – including £1.7m this year

£14m

We've helped to fund **100 parks, gardens and play areas** from our 5p Food carrier bag charge profits

100

Three objectives (13 commitments)

- 1. Aim for all M&S products to have at least one Plan A quality by 2020 (50% by 2015) and help our customers identify and buy these products.
- 2. Help our customers make a difference to the social and environmental causes that matter to them.
- 3. Help our customers live a more sustainable life.

7 commitments achieved, 5 on plan, 1 behind plan

7/13

Performance against our commitments on page 20 ▶

YOUR **M&S**

START In summer 2010 we took part in the Prince of Wales' START initiative to encourage people to reduce their impact on the environment.



Our biggest impacts on the environment and society come through the products we sell and the way they're used – so we want to make it easier for our customers to live more sustainably by getting involved in Plan A.

What have we achieved this year?

We've developed initial lists of the Plan A qualities we want to promote more actively through our products. These include Fairtrade, organic, free range, sustainable wood and fish, energy efficiency, supplier excellence and use of recycled materials. In 2010/11 we launched Indigo Green, our first range of clothing made using more sustainable fabrics and more recently the carbon neutral Autograph Leaves lingerie collection.

We've made much wider use of social networking media such as Facebook and Twitter to tell customers what we're doing and how they can help. With their support we helped to raise £1.7m for Breakthrough Breast Cancer (bringing our fund raising to over £14m in 10 years), £0.3m for The Prostate Cancer Charity, £1m for Shelter and £1.9m for Groundwork. Groundwork opened its 100th park and play area project near our new Sustainable Learning Store in Sheffield this year, using money from our 5p Food carrier bag charge profits. For the first time, we also hosted the World's Biggest Coffee Morning in partnership with Macmillan, raising more than £0.4m.

Over 300 local charities nominated by our employees benefitted from the £1m raised in our 100 Day Charity Challenge. We donated over £4m of food, clothing and equipment to a range of charities, including Oxfam, The Newlife Foundation and Shelter. Marks & Spencer provided work experience for a further 839 people from disadvantaged parts of the community. Since the start of the programme in 2004, 40% of those who completed placements have gone on to find employment. Our suppliers in Bangladesh, Sri Lanka and India provided work experience for over 200 people with disabilities.

We successfully involved our customers in a wide range of sustainability campaigns, including the national Butterfly Count, the Prince of Wales' START sustainability initiative, M&S Gadget Recycling, a competition offering free energy monitors and two separate 'One Day Wardrobe Clear-out' events. Thanks to these events and collections throughout the year, we've helped to put 3 million unwanted garments (compared with 1.8 million last year) to good use, raising around £3.3m for Oxfam.

What are our aims for next year?

With no outstanding commitments due to be achieved for 2012, we want to build on our work so far by launching some significant new campaigns to address important environmental and social issues. This will include getting our commitment to launch a My Plan A website back on track. We also aim to increase the number of products that have Plan A qualities.

↓
Macmillan M&S cafes sponsored Macmillan's World's Biggest Coffee Morning and helped to raise over £0.4million.





M&S and Oxfam Clothes Exchange events have helped to raise £3.3m for Oxfam.



One Day Wardrobe Clear Out Our customers have donated over 3 million unwanted garments this year through our clothes recycling exchange and two 'One Day Wardrobe Clear-out' events with Oxfam.



Oxfam

Make Plan A how we do business



We've invested a total of **£10m on bright ideas** through our new Plan A Innovation Fund this year

£10m

We've distributed nearly **38,000 free energy monitors** to M&S employees this year

38,000

Five objectives (40 commitments)

- 4. Engage our employees in Plan A.
- 5. Integrate Plan A into our systems and processes.
- 6. Build Plan A into every aspect of our construction programme.
- 7. Engage our business partners in Plan A.
- 8. Create a culture of innovation on sustainability.

22 commitments achieved, 17 on plan, 1 behind plan

22/40

Performance against our commitments on [page 22](#) ▶

Sustainability will only become 'the business that we do' if we integrate Plan A into our everyday activities and processes – including the way we engage employees, build our stores, work with our suppliers and develop new products.

What have we achieved this year?

We've proved once again that sustainability makes good business sense, by generating a net benefit of over £70m through Plan A, and we expect this figure to increase as we scale-up our activities.

We've worked particularly hard to engage our employees in Plan A. Nearly 38,000 M&S employees have taken up our offer of free energy monitors, while 4,000 have also had their homes insulated free of charge. We've now introduced one day's paid time off for every employee to volunteer in the community each year and incorporated Plan A objectives into the performance measurements of our Executive Board Directors and Management Board members. Reflecting our commitment to live up to Plan A in all areas of our business, the M&S Pension Fund has signed up to the United Nations backed Principles of Responsible Investment.

This year, 95% of our employees took part in our annual Your Say Survey (last year 94%), in which the overall positive score for M&S as an employer increased by 1% to 76%. We believe that Plan A has played a part in supporting our survey ratings, as have our efforts to be an equal opportunities business, with women now accounting for 32% of our senior management roles and 48% of our store management positions.

One of the most important developments this year was the launch of our Plan A Innovation Fund, which has started to support a wide range of employee-instigated projects, including ways to reduce food waste, develop more sustainable fabrics and improve energy and water efficiency.

Another highlight was the opening of our first Sustainable Learning Store at Ecclesall Road, Sheffield in April 2011. Setting new standards in sustainability for our stores, it uses 100% LED (light emitting diode) efficient lighting and incorporates a 'green' roof and living wall to support local biodiversity. Thanks to the appointment of a project Carbon Manager and the development of a local Biodiversity Action Plan we reduced the store's environmental impact from design through to opening and sent no waste to landfill during construction.

We've involved our partners in Plan A too – working with suppliers to develop sustainability standards and measurements for our food and clothing factories and with our farmers and growers to achieve similar benchmarks. In February 2011 we held a Plan A Supplier Conference, which was attended by nearly 1,200 people.

What are our aims for next year?

With 11 commitments still to achieve in 2012, our priorities are to continue improving the way we engage with our employees, to promote innovation and to implement systems that will improve sustainability in our supply chains.

YOUR M&S

Hong Kong For the fourth year, our employees took part in the Hong Kong Cancer Fund's Halloween parade.



← **Top Marks** M&S was listed in the Times' Top 50 Employers for Women in 2011.

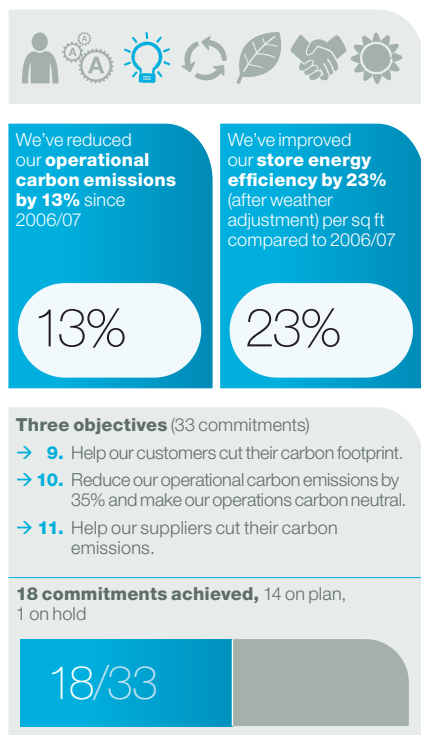
A woman with short blonde hair, wearing a dark grey t-shirt, is smiling and holding a large, light brown teddy bear. The bear is dressed in a camouflage military uniform. In the background, other people are seated at tables with white tablecloths, some clapping. A digital screen in the background displays text in a non-English language.

Plan A volunteer awards
celebrate the contribution of
M&S employees.



Plan A Volunteer Awards At our 11th Annual Volunteer Awards in September 2010, we recognised the contribution of our employees to their local communities and Plan A. Lynne Fisher, pictured, collected an award on behalf of our Salisbury store, where employees took part in a wide range of fundraising events to support Help for Heroes.

Climate change



Performance against our commitments on [page 27](#) ▶

Our planet is getting warmer – mainly because of an increase in greenhouse gases produced by human activity – with many damaging consequences. It's a global problem but one that we're helping to address.

What have we achieved this year?

To help reduce food product carbon footprints we've launched a range of low carbon projects, covering everything from chocolate, alternatives to bottled water and healthy dairy, to on-farm composting and anaerobic digestion, which can generate energy from farm waste. On electrical products that use a lot of energy in the home, for example, washing machines and freezers, we only sell appliances rated at A or above. We've also started to assess and improve the efficiency of small electrical products such as kettles and radios, using independent energy efficiency standards such as Energy Star, the Energy Saving Trust's recommended scheme and EU Ecolabel. Currently 86% of all our electrical products meet credible energy efficiency standards where available.

We've succeeded in reducing our own annual carbon dioxide emissions by over 90,000 tonnes of CO₂e since 2006/07 – an improvement of 25% per sq foot of salesfloor. Much of this is down to a 23% improvement in store energy efficiency against 2006/07, after an adjustment for weather. We've also improved the fuel efficiency of our General Merchandise and Food delivery fleets by 20% and 22% respectively, compared with 2006/07. Twenty eight M&S stores now use CO₂ refrigeration systems to reduce harmful emissions and we've converted a further 355 to use R407a gas (less damaging than conventional HFC gases) as an interim measure. We also reduced the number of business flights we took in 2010/11 by 14 % per employee against 2007/08.

Thinking ahead, we've commissioned climate change risk assessments of our stores and supply chains. They'll help us to reduce the risk to our business and people. Our work with suppliers, farmers and growers to develop carbon and energy measurements will help us to achieve further improvements.

What are our aims for next year?

We still have nine commitments to achieve for 2012, so our primary focus will be on our targets to reduce carbon emissions and investing in carbon reduction projects outside of our own operations. We'll also continue the roll out of systems to improve carbon and energy efficiency in our supply chains.



← **The Leaves Collection**
In April 2011 we launched the Autograph Leaves Collection of carbon neutral lingerie.

→ **Free energy monitors for our employees** We distributed nearly 38,000 free energy monitors to our employees as well as offering free home insulation. Around 4,000 employees took up the option of free home insulation.





We're also investigating ways of generating renewable energy at our stores.



Renewable energy Working with En10ergy, a social enterprise group and Haringey Council, we've installed solar photovoltaic (pv) panels at our store in Muswell Hill. We've agreed to buy the electricity generated so that En10ergy can invest in more local projects. Muswell Hill is one of ten Low Carbon Zones chosen by the Mayor of London.

Waste



M&S stores, offices and warehouses recycled **94% of waste** in 2010/11

94%

We recycled **96% of our construction waste** in 2010/11

96%

Three objectives (26 commitments)

- **12.** Create partnerships to help our customers reuse or recycle all our products and packaging.
- **13.** Send no operational and construction waste to landfill and reduce our operational waste by 25% and construction waste by 50%.
- **14.** Help our suppliers to reduce waste and send no waste to landfill.

14 commitments achieved, 12 on plan

14/26

Performance against our commitments on [page 31](#) ▶

The UK throws away around 300 million tonnes of waste every year – most of it from construction and industry with 35 million tonnes coming from households. Packaging accounts for 10 million tonnes of which 7 million tonnes are recycled. If waste isn't recycled, much of it ends up on landfill sites where it gradually decomposes over many years.

What have we achieved this year?

To help our customers reuse and recycle we've set up a wide range of partnerships. The M&S and Oxfam Clothes Exchange collected 3 million garments (compared with 1.8 million last year) through regular collections, two special 'One day Wardrobe Clear-out' events and a trial project on men's suits run in Northern Ireland. Our Christmas card recycling initiative with The Woodland Trust collected 10 million cards (compared with 8 million last year) and we launched M&S Gadget Recycling for small electrical items, such as mobile phones and SatNavs. An additional 5,000 tonnes of packaging was recycled through our work with Somerset Waste Partnership, whilst we continued our sponsorship of the RecycleBank incentive scheme run in Windsor & Maidenhead and Halton Borough councils.

In our stores, offices and warehouses we've reduced waste by around 34% compared with 2008/09. We recycled 94% of our remaining waste (98% in March 2011), including all unsold food from our Food sections – with 39% of this going to anaerobic digestion to generate energy. We also recycled 96% of our construction waste.

We reduced non-glass packaging by an average of 26% per item compared with 2006/07 and met our 25% reduction target a year early. We also reduced the packaging used in our General Merchandise Home delivery business by 16% per parcel against 2008/09.

We've worked with WRAP to develop a more balanced method of measuring the carbon value of packaging. Reducing waste and minimizing landfill is also an important part of the work we're doing with suppliers on new sustainability standards for food factories, farmers and growers.

What are our aims for next year?

With four commitments still to be achieved for 2012, we intend to focus on diverting all remaining waste from landfill and working in partnership to improve the recycling facilities currently available for our customers. We will also continue to work with our suppliers on reducing waste in our supply chains.

YOUR M&S

Seasonal goodwill M&S customers recycled 10 million Christmas cards through our collection scheme (up from 8 million last year).



WOODLAND TRUST

→ **Used hangers** We collected 152 million coat hangers in 2010/11, with 79% reused and the others recycled.

79%





Reducing food waste by discounting short-life food to customers.



Food waste By reducing the price of short-life food we've reduced waste by around 37% (by sales value). Last year, all waste from our food halls was recycled in some way with 39% going to anaerobic digestion.

Natural resources



Our food warehouses have **reduced water use by 62%** per sq ft since 2007/08

62%

90% of the wild fish we sold (measured by weight) was assessed as coming from more sustainable sources

90%

Two objectives (28 commitments)

- **15.** Ensure efficient use of natural resources in our operations.
- **16.** Reduce the impact on the natural resources used to make our products.

11 commitments achieved, 13 on plan, 4 behind plan

11/28

Performance against our commitments on [page 34](#) ▶

Producing and harvesting raw materials can damage the environment, so it's important that we source them in ways that support their replenishment, safeguard natural habitats and ensure good animal welfare standards.

What have we achieved this year?

Our Food warehouses have already achieved a reduction in water usage of 62% per sq ft against 2007/08. However, progress in our stores and offices has been more difficult. Following on from successful trials, we've now developed an action plan to build on the 8% improvement in water efficiency we've so far achieved compared with 2006/07.

This year, 90% of the wild fish we sold (measured by weight) was assessed as coming from more sustainable sources compared with 62% last year (please see page 37 for a full definition). We also started work to improve further the sustainability of our farmed fish.

Sourcing of wood from proven sustainable sources is up to 76% from 72% (see page 36 for a full definition). Our first Sustainable Learning Store at Ecclesall Road in Sheffield, opened in April 2011 and is the world's first fully Forest Stewardship Council certified 'build and fit out' retail store to use 100% FSC timber (FSC-N001634). We know that we still have progress to make on wood sourcing.

In line with our commitment to use only sustainable palm oil by 2015 we purchased GreenPalm certificates for all M&S products containing palm oil (as we did in 2009/10) and launched an additional 35 food lines made with certified sustainable palm oil. We also made good progress towards ensuring that neither M&S canned and corned beef or M&S leather contribute to deforestation, while the Forest Footprint Disclosure project rated us the best general retailer for the second year running.

We've continued to increase our use of recycled polyester in General Merchandise products to over 1,900 tonnes, up 73% (last year 1,100 tonnes), equivalent to 47 million two litre plastic bottles.

In May 2011, we published a new Environmental and Chemical Policy for General Merchandise, which now includes sections on water efficiency. We also worked with our suppliers on three major water stewardship projects. One of these (run with the Alliance for Water Stewardship in Kenya) is already completed, while two others (partnerships with the WWF to assess global water risks and UK water quality) are now underway.


What are our aims for next year?

We still have ten commitments to achieve for 2012, so our focus will be on these areas. We're particularly keen to reduce our water usage in stores while continuing our efforts to improve the sustainability of our key raw materials.



Forest Footprint Disclosure Project For the second year running, M&S was rated as the Best General Retailer in the Forest Disclosure Project, which assesses company actions to reduce deforestation.





90% of the wild fish we sold came from sustainable sources, up from 62% last year.



Sustainable fishing M&S was rated joint top in Greenpeace's 2011 supermarket league table for sustainable tuna. We've never sold endangered Bluefin tuna and we only use pole and line or line fishing to prevent accidental catches of other species such as sharks and turtles.

Fair partner



Our suppliers now have **15 Ethical Model factories** in locations across Bangladesh and India

15

M&S has provided health and employee rights **education for 37,000 supply chain workers** this year

37,000

One objective (21 commitments)

→ **17.** Ensure workforces and communities benefit in our supply chain.

12 commitments achieved, 8 on plan, 1 behind plan

12/21

Performance against our commitments on [page 38](#) ▶

We're only as strong as the communities in which we trade, so it makes good sense for us to be a fair partner – paying a fair price to suppliers, supporting local communities and ensuring good working conditions for everyone involved in our supply chains.

What have we achieved this year?

We've extended our Ethical Model Factory programme with our suppliers, adding three factories in India to the 12 already operating in Bangladesh. We've trained over 37,000 workers about their employment rights and health and safety. And we've extended our ethical assessments to include UK dairy, fishing boat and salmon farm workers as well as vanilla plantations in Madagascar and agricultural workers in the Turkish dried fruit industry. For General Merchandise, assessments have been extended to fabric mills and dyehouses. Through our work with other companies, we've also made progress towards a Single Ethical Code that will reduce the number of audits suppliers have to complete.

We launched our Milk Pledge Plus in April 2010, to reward dairy farmers who achieve high standards for animal health and welfare as well as farm conditions. We've also extended our buying pledge price premiums to cover speciality Brecknock and Swaledale lamb along with UK pork.

Since 2006/07 we've doubled the number of regionally sourced food products we sell in key categories where regional alternatives are available. Two examples of this are Scottish salmon and haddock along with South coast John Dory and Dover Sole.

We introduced Plan A targets for health and safety at M&S construction sites this year and also helped to fund health screening projects for workers at sites run by all our major construction contractors. These addressed issues such as night working and continued exposure to the sun. We've also given some of our building contractors access to our employee health and wellbeing website. Looking ahead, we plan to encourage all our main building contractors to introduce their own worker health screening programmes in the future.

The calculated Accident Incident Rate (AIR) at M&S construction sites this year was 323.2 – less than half the Health and Safety Executive published construction industry average of 735.6 for last year.

What are our aims for next year?

We still have four commitments to achieve for 2012. We'll also continue our joint efforts with suppliers to ensure that workers, growers and communities benefit from trade with M&S.


YOUR **M&S**

UK grown asparagus Working with our farmers, we've again extended our season for UK grown asparagus which now runs from April to September. This reduces the need for imports.



→ **Fairtrade clothing**
In 2010, M&S was the world's biggest retailer of Fairtrade certified cotton clothing.



A photograph of Marc Bolland, a man with glasses and a dark suit, speaking at a podium. He is gesturing with his hands. The background is a green wall with the words 'Plan A' and 'DOW' visible in large, light green letters.

Marc Bolland was one of several key note speakers at our Plan A supplier conference.



Plan A supplier conference Over 1,200 delegates attended our Plan A Supplier Conference in London in February 2011. As well as hearing about progress on Plan A and the development of new supplier sustainability standards, a wide range of experts from different organisations were on hand to answer questions and give advice.

Health & wellbeing



Count on Us and Simply Fuller Longer are the **top two UK diet brands** (source: Kantar Jan 2011)

Top 2 UK diet brands

Three objectives (19 commitments)

- **18.** Drive health and nutrition benefits across our product offer.
- **19.** Help to facilitate behaviour change through clear nutritional labelling and information.
- **20.** Encourage our customers and employees to become more active.

11 commitments achieved, 8 on plan

11/19

Performance against our commitments on [page 40](#)

count on us.™



YOUR M&S

M&S healthier food options now include ranges of Eat Well snacks, Simply More, Lovely Vegetables, Simply Fuller Longer and Count on Us.



Health and wellbeing is strongly linked to diet and lifestyle and there's convincing evidence that many people living in the developed world are a little less active than they should be. In fact, based on current trends, 60% of the UK population could be obese by 2050.

What have we achieved this year?

We've introduced more ranges of healthier food, including Simply More (containing beneficial ingredients), Eat Well healthier snacks (with 150 calories or less) Lovely Vegetables prepared dishes and Super Soy meat alternatives to appeal to our growing number of vegetarian customers. We've also extended our Count on Us and Simply Fuller Longer diet ranges. We completed scientific research with the Rowett Institute of Nutrition and Health at the University of Aberdeen, to understand the effect that our Simply Fuller Longer range had on both the feeling of fullness and weight loss. Allergies and intolerances are important to a large number of our customers so we've continued to increase the number of gluten free products, such as sandwiches, following the successful launch of our Made Without Wheat range.

We introduced calorie labelling in all our store cafés, with plans to extend this to employee dining areas and other in-store food services. This is in addition to our use of Eat Well, nutritional traffic light and Guideline Daily Amount (GDA) labels. We believe that labelling and information plays an important part in helping to change people's eating habits and lifestyles, which is why we launched a dedicated website M&S Health and Nutrition in 2010 which we update regularly. The site contains a wealth of advice and tools to help people improve their diet, drink responsibly and lose weight. Our personalised 'ask the nutritionist' service is still proving popular with our customers and we receive on average 100 queries a month. We also trialled a campaign to encourage customers to take part in a range of sporting activities across the Anglia TV region.

At the end of the year, we met the Food Standards Agency's 2010 salt targets on all but five products that traditionally contribute high salt levels and we are now working hard towards our 2012 commitments, with our targets for sandwiches, plain bread and pasta sauces already achieved. We've also signed up to the UK government's Responsibility Deal, addressing 16 different areas of public health across food, alcohol and employee health and wellness. Our new Health and wellbeing website for employees was launched this year and has had over 10,500 users, whilst 199 groups consisting of nearly 1,000 employees took part in a weight loss challenge competition.

What are our aims for next year?

We still have two commitments outstanding for 2012 with much more to be done to encourage our customers and employees to make healthier choices. We'll also continue our work on reformulation and extending our healthier food ranges to make it convenient for our customers to address their individual health needs.

→ **M&S Health and Nutrition website**
We re-launched our dedicated Health and Nutrition website with a wealth of information on diet, health and active lifestyles. For more information see: marksandspencer.com/health





We now offer an even wider range of healthier food.



Simply Fuller Longer range We've extended our Count on Us and Simply Fuller Longer diet ranges and have completed more research with the Rowett Institute of Nutrition and Health at the University of Aberdeen on how the Simply Fuller Longer range can help provide a feeling of fullness and support weight loss.

Plan A summary of progress

Originally launched in 2007 and extended in 2010, Plan A is at the heart of the way we do business. Plan A contains **180 commitments** to achieve **20 objectives** under **seven pillars**.

The table below shows this structure and summarises how we're performing. We've achieved 95 commitments, 77 are on plan, seven are behind plan and one (on bio-diesel) is on hold.

Pillar One

Involve our customers in Plan A

1 Aim for all M&S products to have at least one Plan A quality by 2020 (50% by 2015) and help our customers identify and buy these products

	Behind	On plan	Achieved
1.1 Develop Plan A products			
1.2 Number of Plan A products			
1.3 Identifying Plan A products			
1.4 Meet Your Producer website			
1.5 Meet Your Farmers website			

2 Help our customers make a difference to the social and environmental causes that matter to them

	Behind	On plan	Achieved
2.1 Annual store fundraising			
2.2 Cause related donations			
2.3 Marks & Start			
2.4 International community campaigns			
2.5 Breakthrough Breast Cancer			

3 Help our customers live a more sustainable life

	Behind	On plan	Achieved
3.1 My Plan A website			
3.2 Plan A marketing			
3.3 Your Green Idea			

Pillar Two

Make Plan A how we do business

4 Engage our employees in plan A

	Behind	On plan	Achieved
4.1 Free energy monitors			
4.2 Free home insulation			
4.3 One day's paid volunteering			
4.4 Customer Assistant performance			
4.5 Feedback on communications			
4.6 Feedback on engagement			
4.7 Feedback on intention to stay			
4.8 Diversity data			
4.9 All store H&S reporting			
4.10 First aiders			
4.11 Responsible buying			
4.12 Plan A Champions			
4.13 Health information for employees			

5 Integrate Plan A into our systems and processes

	Behind	On plan	Achieved
5.1 Business case			
5.2 Internal price of carbon			
5.3 Linking Directors' pay to Plan A			
5.4 M&S pension fund			
5.5 Business Foundation Programme			

6 Build Plan A into every aspect of our construction programme

	Behind	On plan	Achieved
6.1 Sustainable Learning Stores			
6.2 M&S climate adaptation			
6.3 Biodiversity audits			
6.4 Sustainability of new stores			
6.5 Carbon Managers			
6.6 Whole life costing for stores			
6.7 BREEAM			
6.8 Green stores			

7 Engage our business partners in Plan A

	Behind	On plan	Achieved
7.1 Review Plan A with franchises			
7.2 Field to Fork and TRAK			
7.3 Food supplier Plan A benchmarks			
7.4 Energy efficiency at clothing top 100			
7.5 Sustainable farming			
7.6 General Merchandise traceability			
7.7 Ethical trade benchmarks			
7.8 Supplier Exchange – ethical trade			
7.9 Franchise Plan A website			

8 Create a culture of innovation on sustainability

	Behind	On plan	Achieved
8.1 Plan A Innovation Fund			
8.2 Model Eco Dyehouses			
8.3 Dual fuel vehicles			
8.4 Sustainable retail			
8.5 Plan A M&S Money products			

Pillar Three

Climate change

9 Help our customers cut their carbon footprint

	Behind	On plan	Achieved
9.1 Six low carbon projects			
9.2 Environmentally efficient food packaging			
9.3 Energy efficient electrical products			
9.4 Carbon labelling			
9.5 Low carbon products and services			
9.6 WWF carbon footprint campaign			
9.7 Wash at 30			
9.8 Public transport and cycling			

10 Reduce our operational carbon emissions by 35% and make our operations carbon neutral

	Behind	On plan	Achieved
10.1 Energy use in data centres			
10.2 Video conferencing			
10.3 International logistics			
10.4 Carbon neutral operations			
10.5 Energy efficiency			
10.6 Fuel efficiency			
10.7 Reduce business flights			
10.8 Green company car policy			
10.9 Green electricity			
10.10 On-site renewables			
10.11 Bio-diesel		On hold	
10.12 New transport technologies			
10.13 EUO engines			
10.14 Carbon offsetting policy			
10.15 Store refrigeration			

11 Help our suppliers cut their carbon footprint

	Behind	On plan	Achieved
11.1 Supply chain climate adaptation			
11.2 Food factory environmental standards			
11.3 Electricity from small scale generators			
11.4 Supplier logistics			
11.5 Food carbon footprint			
11.6 Minimise food airfreight			
11.7 Supplier exchange – reducing CO ₂			
11.8 Green factories			
11.9 Agricultural carbon balance			
11.10 Air freight labelling			

Plan A

7 pillars

20 objectives

180 commitments

The main social and environmental issues facing retailers

The overall objectives we aim to achieve

The individual targets we've put in place to measure our progress

Pillar Four Waste

12 Create partnerships to help our customers reuse or recycle all our products and packaging

	Behind	On plan	Achieved
12.1 Clothes hanger reuse			
12.2 Customer clothes recycling			
12.3 Packaging recycling partnerships			
12.4 Reduce home delivery packaging			
12.5 Simplify packaging materials			
12.6 Reduce non-glass packaging			
12.7 Sustainable packaging materials			
12.8 Packaging recyclability			
12.9 WRAP recycling symbols			
12.10 Courtaid Commitment			
12.11 Clothes hanger recycling			
12.12 Recycling services for customers			
12.13 Reduce carrier bag use			
12.14 Carrier bag agreement			

13 Send no operational and construction waste to landfill and reduce our operational waste by 25% and construction waste to 50%

	Behind	On plan	Achieved
13.1 Reduce food waste and GM transit			
13.2 Waste carbon footprint			
13.3 Reduce construction waste			
13.4 Reduce paper usage			
13.5 No waste to landfill			
13.6 Reduce food waste			
13.7 Food waste to composting and AD			
13.8 No construction waste to landfill			
13.9 Use of recycled materials in construction			
13.10 Closed loop recycling			

14 Help our suppliers to reduce waste and send no waste to landfill

	Behind	On plan	Achieved
14.1 Food packaging write-offs			
14.2 Food supplier waste			

Pillar Five Natural resources

15 Ensure efficient use of natural resources in our operations

	Behind	On plan	Achieved
15.1 Recycled consumables			
15.2 Reduce water usage			
15.3 Sustainable construction			

16 Reduce the impact on the natural resources used to make our products

	Behind	On plan	Achieved
16.1 Food factory water use			
16.2 Sustainable farmed fish			
16.3 General Merchandise chemical policy			
16.4 Food animal welfare			
16.5 M&S packaging forest			
16.6 Animal testing cut-off – cleaning materials			
16.7 Recycled bin bags			
16.8 Recycled carrier bags			
16.9 Tripling organic food			
16.10 Phase-out hazardous pesticides			
16.11 Pesticide residue-free food			
16.12 Pesticide action network			
16.13 Non-GM food			
16.14 Sustainable textiles			
16.15 Procure sustainable cotton			
16.16 Six raw materials to stop deforestation			
16.17 Sustainable wood			
16.18 Sustainable wild fish			
16.19 Dyehouse standards			
16.20 Recycled polyester			
16.21 GM animal welfare			
16.22 Beauty testing cut-off date			
16.23 Free range food			
16.24 Oakham Chicken			
16.25 Supply chain water efficiency			

Pillar Six Fair partner

17 Ensure workforces and communities benefit in our supply chain

	Behind	On plan	Achieved
17.1 Living wage			
17.2 Supply chain training			
17.3 Single ethical code			
17.4 Research on community impacts			
17.5 Food supply-chain skills			
17.6 Food supply-chain HR			
17.7 Construction health and safety			
17.8 Further five produce R&D projects			
17.9 UK and RoI food sourcing			
17.10 Five R&D produce projects			
17.11 Semi announced supplier assessments			
17.12 In country resources			
17.13 Supplier ethical assessments			
17.14 Extend ethical assessments			
17.15 Confidential helpline			
17.16 Small local suppliers			
17.17 Buying pledge			
17.18 Double regional food sourcing			
17.19 Fairtrade food			
17.20 Fairtrade clothing			
17.21 Supplier exchange – communities			

Pillar Seven Health and wellbeing

18 Drive health and nutrition benefits across our product offer

	Behind	On plan	Achieved
18.1 M&S food nutritional content			
18.2 Saturated fat in dairy products			
18.3 30% healthier food			
18.4 Natural colours			
18.5 Reduce salt			
18.6 Lochmuir salmon			
18.7 Food with health benefits			
18.8 Nutritionally enriched food			

19 Help to facilitate behaviour change through clear nutritional labelling and information

	Behind	On plan	Achieved
19.1 Nutritional labelling			
19.2 Integrate sustainability labelling			
19.3 On pack portion advice			
19.4 Alcohol			
19.5 Nutritional traffic light labels			

20 Encourage our customers and employees to become more active

	Behind	On plan	Achieved
20.1 Online diet website			
20.2 Launch get active campaign			
20.3 Children's sweets at till points			
20.4 Healthy Eating Advisers			
20.5 Calendar of health campaigns			
20.6 Customer health information			

Involve our customers in Plan A

** Assurance on statements and claims is provided by Ernst & Young (see page 48 for details).

Objective 1

Aim for all M&S products to have at least one Plan A quality by 2020 (50% by 2015) and help our customers identify and buy these products



1.1 Develop Plan A products**

STATUS: ACHIEVED

Aim Develop the definition of a Plan A quality in consultation with key stakeholders by the end of 2010.

Progress We've worked with partners, including Forum for the Future, to create a guide to the social and environmental 'hotspots' of the different types of products we sell. We plan to circulate this amongst a wider group of stakeholders for feedback during 2011/12.

Using this guide we've developed initial lists of Plan A qualities for Food products, including Fairtrade, organic, sustainable fish and supplier excellence. The list for General Merchandise products also includes the use of recycled materials, energy efficiency and sustainable cotton and wood.

We've also joined The Sustainability Consortium, an international group that promotes a common scientific approach to assessing the sustainability of products.



1.2 Number of Plan A products**

STATUS: ON PLAN

Aim Have at least one Plan A quality in all M&S General Merchandise and Food products by 2020 – with 50% of products having at least one Plan A quality by 2015.

Progress We plan to develop and report on a baseline measurement in 2011/12 using our list of Plan A qualities (see commitment 1.1).

1.3 Identifying Plan A products**

STATUS: ON PLAN

Aim Develop mechanisms to help our customers identify products with Plan A qualities in store and online to encourage their purchase.

Progress We already communicate information about Plan A qualities on our packaging and in stores. We aim to improve the way we do this in future.

1.4 Meet Your Producer website

STATUS: ON PLAN

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

Progress We've improved the Meet Your Producer section of our website by providing video presentations about fruit, wine and flower producers in South Africa. We've also trialled a scheme that allows customers to trace our UK asparagus growers and access more information about individual farmers. Our ongoing aim is to make information about our producers appealing and accessible to more of our customers. For more information see: marksandspencer.com/tv



1.5 Meet Your Farmers website

STATUS: ACHIEVED

Aim Connecting our customers to our suppliers by developing a website providing information on how and where UK foods are produced by 2012.

Progress See our 2010 HWDB Report for more details.



Objective

2

Help our customers make a difference to the social and environmental causes that matter to them



2.1 Annual store fundraising

STATUS: ON PLAN

Aim Support and facilitate annual fundraising activities in our stores to support local charities.

Progress In addition to local fundraising activities throughout the year, local charities nominated by our employees received £1m from our 100 Day Charity Challenge.

We also donated over £4m of food, clothing and equipment to a range of charities, including Oxfam, The Newlife Foundation and Shelter.

THE
PROSTATE
CANCER CHARITY

Shelter

**WE ARE
MACMILLAN.
CANCER SUPPORT**



2.2 Cause related marketing and stock donations

STATUS: ACHIEVED

Aim Use a comprehensive programme of cause related marketing to raise money for charity partners and donate unsold stock and surplus equipment where feasible and safe.

Progress We ran a series of cause related marketing campaigns where charities including Breakthrough Breast Cancer, The Prostate Cancer Charity, Macmillan Cancer Support, Shelter and Groundwork received a proportion of the sales price of specific products, totalling £4.4m. These campaigns included our support for Macmillan's World's Biggest Coffee Morning through M&S Cafés, which helped to raise £0.4m. Profits from the sale of our 5p food carrier bags raised a further £1.9m to help Groundwork fund 100 parks, gardens and play areas. The 100th project is in Sheffield, close to our new Ecclesall Road Sustainable Learning Store.

2.3 Marks and Start**

STATUS: ACHIEVED

Aim Continuing to help disadvantaged groups like the disabled and homeless get into jobs via work placements in our stores, offices and suppliers factories.

Progress This year, we've provided work experience for a further 839 people from disadvantaged parts of the community. Since the start of the programme in 2004, 40% of those who completed placements have gone on to find employment. We plan to maintain the programme at the same level in 2011/12. Our suppliers in Bangladesh, Sri Lanka and India provided work experience for over 200 people with disabilities. See our 2010 HWDB Report for more details.



2.4 International community campaigns

STATUS: ACHIEVED

Aim Developing and launching initiatives on environmental and community issues.

Progress See our 2010 HWDB Report for more details.

2.5 Breakthrough Breast Cancer

STATUS: ACHIEVED

Aim Maintaining our campaigns with Breakthrough Breast Cancer.

Progress Previously achieved, we've continued to support Breakthrough Breast Cancer this year, helping to raise £1.7m and taking the total we've raised through this partnership to more than £14m over 10 years. We plan to continue our work with Breakthrough Breast Cancer in 2011/12.

BREASTCANCER

BREAKTHROUGH

Objective

3

Help our customers live a more sustainable life



3.1 My Plan A website**

STATUS: BEHIND PLAN

Aim Help one million customers to develop personal sustainability goals via a new My Plan A website by 2015 and three million by 2020.

Progress We've improved the content of our Plan A website to help our customers live more sustainably, but have not yet launched a My Plan A site. We've undertaken a range of activities to promote personal action, including our 'One Day Wardrobe Clear-out', which encouraged customers to donate used clothing to Oxfam, our Butterfly Count activities and a competition offering energy monitors to 500 winning customers.

We plan to increase the number and the reach of these campaigns in 2011/12.

3.2 Plan A Marketing

STATUS: ON PLAN

Aim Run a continuous programme of Plan A marketing communications, to encourage customers to take action.

Progress We've run Plan A communication campaigns throughout the year, including 'One Day Wardrobe Clear-out', Butterfly Count (below) Macmillan's World's Biggest Coffee Morning, M&S Gadget Recycling and The Prince of Wales' START sustainability initiative. We've also extended the use of online videos (including a progress update on Plan A) and used social media to announce new initiatives and hold Question & Answer events.



3.3 Your Green Idea

STATUS: ACHIEVED

Aim Launch a Your Green Idea £100,000 prize to encourage customers to get involved in Plan A by identifying the best way to make our business more sustainable.

Progress We launched Your Green Idea in March 2010, appointing a panel of judges including Marc Bolland, Jonathon Porritt, Julia Hailes and Kate Humble. Despite a good level of response, no new practical ideas were generated. We presented three cash prizes of £5,000 to customers and donated the remaining £85,000 to community low carbon projects set to start in 2011/12.



Make Plan A how we do business

** Assurance on statements and claims is provided by Ernst & Young (see page 48 for details).

Objective

4

Engage our employees in Plan A



4.1 Free energy monitors**

STATUS: ACHIEVED

Aim Give all employees a free energy monitor by the end of 2010 to help them understand their energy use and reduce the carbon footprint of their homes.

Progress We offered all employees a free home energy monitor, distributing nearly 38,000.

4.2 Free home insulation**

STATUS: ACHIEVED

Aim Offer free home insulation in 2010 to eligible M&S employees to help reduce the carbon footprint of their homes.

Progress We offered all eligible employees free home insulation and made installations in around 4,000 employees' homes.

4.3 One day's paid volunteering**

STATUS: ACHIEVED

Aim Provide one day's paid time off for all employees to participate in a Plan A initiative or charity event as part of an overall employee engagement programme.

Progress For the first time, we offered one day's paid time off for all employees to participate in a Plan A initiative or charity event of their choice. Take-up was relatively low, but we believe we can encourage wider participation in 2011/12.



4.4 Customer Assistant performance**

STATUS: ACHIEVED

Aim Achieve at least 90% of our Customer Assistants at the required levels of performance.

Progress As of October 2010, nearly 98% of our Customer Assistants were performing at or above the required levels of performance (last year: 92%).

4.5 Feedback on communications**

STATUS: ACHIEVED

Aim Achieve a positive employee feedback score of at least 80% on M&S communications in our annual employee survey.

Progress We achieved a positive feedback score of 83% for communication in our 2011 annual employee Your Say Survey (last year: 83%).

4.6 Feedback on engagement**

STATUS: ACHIEVED

Aim Achieve a response rate of at least 85% in our annual employee survey with overall positivity and engagement scores of at least 70%.

Progress 95% of employees took part in our 2011 Your Say Survey (last year: 94%). Our positivity score was 76% (last year: 75%) and our engagement score 75% (last year: 73%).

4.7 Feedback on intention to stay

STATUS: ACHIEVED

Aim Achieve a positive employee feedback score of at least 70% on 'intention to stay 12 months' in our annual employee survey.

Progress We achieved a positive feedback score of 77% on 'intention to stay 12 months' in our 2011 annual employee Your Say Survey (last year: 75%).

4.8 Diversity data

STATUS: ACHIEVED

Aim Report on an extended range of diversity measurements including senior management age, gender and ethnicity by 2010.

Progress We've reported on a wider range of diversity measurements this year, including senior management and store manager gender. We were also listed in The Times' Top 50 Employers for Women for 2011.

Gender % of total UK and Republic of Ireland workforce

Women employees	76%
Women managers†	65%
Women store managers	48%
Women in senior management (top 120)	32%

† Management is defined as people with first line supervisory responsibilities or professional and technical specialists.

Ethnicity % of total UK and Republic of Ireland workforce

Employees from ethnic minority backgrounds	12%
Managers from ethnic minority backgrounds†	11%

† Management is defined as people with first line supervisory responsibilities or professional and technical specialists.

Age and experience % of total UK and Republic of Ireland workforce

Employees over 50 years of age	33%
Employees over 60 years of age	11%
Employees over 65 years of age	3%
Employees with over 10 years service	27%

All data as of March 2011

4.9 All store H&S reporting**

STATUS: ACHIEVED

Aim All stores and offices to actively report on health & safety incidents through clear policies and increased training and awareness by 2010.

Progress This year all of our stores and offices actively reported health & safety incidents. The total number of reported accidents for employees, customers, contractors and visitors in 2010/11 was 27,427 (last year: 28,381). Measured per million square feet we recorded 1,728 accidents, a decrease of 5% (last year 1,818 incidents per million square feet).

We recorded 972 RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) incidents (last year 836). This equates to 61 RIDDOR incidents per million square feet, a 13% increase (last year 54 incidents per million square feet). Having focused greater attention on accident reporting in our stores through assessments and training, we believe that the higher figure for RIDDOR is a result of improved reporting.

There were no work related fatalities this year and we received no Health & Safety fines.

4.10 First aiders

STATUS: ACHIEVED

Aim Maintain certification of over 5,000 first aiders in our stores and offices in the UK and Republic of Ireland for the benefit of both customers and employees.

Progress During 2010/11 we've maintained the number of certified first aiders in our stores and offices at over 5,000.

5,000+

Objective 4 Engage our employees in Plan A [continued]



4.11 Responsible buying**

STATUS: BEHIND PLAN

Training all relevant employees on responsible buying as part of their development by 2012.

General Merchandise We've developed a Responsible Buying module with Traidcraft. Following successful trials this became a compulsory part of our General Merchandise Buying Academy training in 2011 and is also included in training for new starters. However, by April 2011 the majority of our existing employees who have direct contact with suppliers, had not completed this training. We're currently reviewing our plans to achieve this.

Food This commitment is now achieved in our Food business. We now include a Responsible Buying module in the foundation course of the M&S Food Academy for all new starters. Existing employees who have direct contact with suppliers are required to complete annual compliance training with the Groceries Supply Code of Practice, which also includes a section on Responsible Buying.

4.12 Plan A Champions

STATUS: ACHIEVED

Aim Appointing and training Plan A Champions in all our stores and offices by 2012.

Progress Although we had already achieved this commitment, in 2010 our external stakeholders requested more information about how we engage employees on Plan A. In addition to Plan A Champions and regional Champions we also engaged our wider workforce by distributing free home insulation and energy monitors and offering one day's paid time off for volunteering (see commitments 4.1, 4.2 and 4.3). In 2010/11, we ran a series of Plan A related events including a Plan A Week and our 11th Annual Employee Volunteering/Plan A Awards. We also engaged employees in our Captain Energy conservation campaign, 'One Day Wardrobe Clear-out' clothes recycling and Plan A intranet site.

We've developed a monthly store performance monitor that includes measurements on energy, recycling and carrier bags. Our store managers' performance against these Plan A measurements has a direct impact on their performance-related payment.

4.13 Health information for employees

STATUS: ON PLAN

Aim Providing improved health and lifestyle information to our employees by 2012.

Progress Having already achieved this commitment, we launched a new Plan A Health and wellbeing website in 2010. The site provides help and advice across a wide range of common health concerns, with a clear focus on the needs of our predominantly female workforce. Over 10,500 employees used the site during the year with 199 groups (consisting of 1,000 employees) taking part in a weight loss challenge competition. We've now made it available to some of our suppliers as well. In 71 of our smaller stores where we're not able to offer in-store catering for our employees we're now providing free fruit.



Objective 5 Integrate Plan A into our systems and processes



5.1 Business case**

STATUS: ON PLAN

Aim Develop and report on the financial business case for Plan A by 2011.

Progress Plan A has contributed a net benefit of over £70m during 2010/11, all of which has been invested back into our business. We've calculated this figure by subtracting investment costs from all savings made and additional business generated. During 2011, we plan to distribute a discussion paper to key stakeholders, outlining our thoughts and ideas about the best way to measure and report the business case for sustainability and inviting their feedback.

5.2 Internal price of carbon

STATUS: ACHIEVED

Aim Introduce an internal price of carbon by 2011 to help decision makers identify the likely future cost impacts due to legislation, taxes or rising energy prices.

Progress Since we launched this commitment the UK Government has announced plans to introduce a starting price of £12 per tonne for CO₂ starting from 2012. This will cover around 75% of our reported carbon emissions under the Carbon Reduction Commitment Energy Efficiency scheme.

We are now working with relevant areas of the business to factor this cost into financial planning as well as additional costs incurred in the future as we achieve our commitment to become carbon neutral.

5.3 Linking directors' pay to Plan A**

STATUS: ACHIEVED

Aim Include the achievement of Plan A commitments in the assessment and remuneration of M&S Management Board members.

Progress As part of our Annual Bonus Scheme, all Marks & Spencer Executive Directors and Management Board members have individual objectives that relate to progress on Plan A.

5.4 M&S pension fund

STATUS: ACHIEVED

Aim The Trustees of the Marks & Spencer Pension Scheme commit to improving the oversight of the Environmental, Social and Governance policies of the companies in which it invests. The Trustees will also target becoming a signatory to the United Nations' Principles of Responsible Investment by 2011.



Progress In 2010, the M&S Pension Scheme became a signatory of the Principles for Responsible Investment (PRI), which is backed by the United Nations. As a signatory the Scheme is committed to work in collaboration with other investors on environmental, social and governance issues. The Scheme now employs a specialist to represent its interests during engagement with investment managers and other signatory companies on relevant issues.

5.5 Business Foundation Programme

STATUS: ON PLAN

Aim Integrate Plan A considerations by 2011 into all aspects of our Business Foundation Programme, which is reviewing and updating all key processes and systems across the business.

Progress The Business Foundation Programme is designed to improve IT systems across our business. We're currently developing new Food planning and forecasting systems that will improve stock accuracy, increase sales and reduce waste. We're also developing software to help us manage key aspects of Plan A, including wood sourcing, traceability of raw materials, better control of marketing materials and the Food Supplier Sustainability Framework.

Make Plan A how we do business

** Assurance on statements and claims is provided by Ernst & Young (see page 48 for details).

Objective

6

Build Plan A into every aspect of our construction programme



6.1 Sustainable Learning Stores

STATUS: ON PLAN

Aim Open two new Sustainable Learning Stores each year to support continuous improvement.

Progress Our first Sustainable Learning Store at Ecclesall Road, Sheffield opened in April 2011. The store was built with 100% recycling of construction waste and has 100% energy efficient LED (Light Emitting Diodes) lighting. This is the world's first fully Forest Stewardship Council certified 'build and fit out' retail store to use 100% FSC timber (FSC-N001634). It also has a living wall and a 'green' roof to promote local biodiversity and has been rated as 'excellent' under the BRE Environmental Assessment Methodology (BREEAM).

Our second Sustainable Learning Store at Stratford City (adjacent to the site of the 2012 London Olympics) will open in autumn 2011. We plan to use the learning from these stores in future projects.

6.2 M&S climate change adaptation

STATUS: ON PLAN

Aim Conduct a review of the likely impacts of climate change on our estate by 2011.

Progress We're working with academics and suppliers to review the likely impacts of climate change on our most important 50 stores from 2020 to 2030, during which period significant climatic changes are forecast. We plan to publish a report in the summer of 2011, identifying the key risks posed by increased average temperatures and rainfall along with more frequent occurrences of extreme weather, including floods. We then plan to review the findings and develop a response.

6.3 Biodiversity audits

STATUS: ACHIEVED

Aim Introduce biodiversity audits and action plans for major store building projects by 2011.

Progress We aim to conduct ecological surveys and introduce biodiversity action plans wherever we build or extend stores that affect the local landscape. To date, we've identified three store projects of this kind and have already implemented a full biodiversity action plan at the first of them, Ecclesall Road in Sheffield. This included remediating land on which a garage had previously stood, building the store with a living wall and a green roof to support local biodiversity.



We've added bird boxes and insect chambers and specified 62 types of native plants. We also developed an M&S Sustainable Construction Biodiversity Guide, which is published in the How We Do Business section of our website.

6.4 Sustainability of new stores

STATUS: ON PLAN

Aim Introduce a system for the continuous evaluation of the sustainability performance of our new stores and major developments, starting in 2011.

Progress We've introduced a Carbon Passport approval tool that helps assess energy efficiency and operational carbon emissions at every stage of new and major store developments, from initial outline through to operation. The Carbon Passport influences design and specification by taking into account the effects of architectural design, efficiency ratings and engineering installations such as heating, air conditioning and refrigeration.

In 2011/12 we plan to develop this approach to cover a wider range of issues, include biodiversity, waste, water, materials and the community.



6.5 Carbon Managers

STATUS: ACHIEVED

Aim Introduce Carbon Managers for major construction project by 2010.

Progress We've trialled the use of Carbon Managers on three major projects, to assess their effectiveness in reducing the amount of carbon embodied in construction materials. Based on these trials we've concluded that on traditional stores, a Carbon Manager can only make limited improvements.

For our Ecclesall Road Sustainable Learning Store, however, the Carbon Manager was able to reduce embodied carbon by over 7,000 tonnes CO₂e, equivalent to 6% of the total, thanks to the use of reclaimed bricks and a polished concrete floor which didn't require an additional covering.

We plan to continue to use Carbon Managers during planning and construction of all our Sustainable Learning Stores and use the results to revise our specifications.

6.6 Whole life costing for stores

STATUS: ON PLAN

Aim Introduce a whole life costing model for building project financial evaluation by 2011.

Progress Along with most other retailers, we primarily evaluate our building projects on the cost to build. In 2010/11 we started trials of a financial evaluation which also considers longer-term operating costs over the whole life of the completed project. We plan to complete these trials during 2011/12.

6.7 BREEAM

STATUS: ON PLAN

Aim Targeting all new stores and warehouses to achieve the BRE Environmental Assessment Methodology (BREEAM) 'excellent' rating and all other development stores to be assessed against BREEAM rating system by 2012. (New 2011 wording).

Progress This year, we've conducted BREEAM pre-assessments of ten stores. Two new stores have gone on to have full assessments and are rated at interim design stage as being 'very good'. Our new-build store at Ecclesall Road in Sheffield has achieved our best BREEAM rating to date of 'excellent'.

Our new General Merchandise warehouse at Bradford has also been rated as 'excellent'.

breeam

6.8 Green stores

STATUS: ACHIEVED

Aim Opening 'green' concept stores in Pollok, Galashiels and Bournemouth in 2007.

Progress See our 2010 HWDB Report for more details.

Objective

7

Engage our business partners in Plan A



7.1 Review Plan A with franchises

STATUS: ACHIEVED

Aim Conduct a review by 2010 with M&S franchise partners to incorporate Plan A targets in their operations.

Progress In 2010/11 we conducted a review in partnership with MBA students from Manchester Business School to assess how Plan A can be extended to include M&S businesses operated by our partners.

We're using the results of this review to develop sustainability plans with UK and international franchise partners. Our international business comprises more than 360 stores in 42 regions of the world. Some are wholly owned operations, but most are joint ventures and franchise partnerships. We've now incorporated the 30 Plan A commitments that best fit with our international business into scorecards, to assess progress in different areas.

7.2 Field to Fork and TRAK**

STATUS: ON PLAN

Aim Make further improvements in the traceability and transparency of M&S food by completing the rollout of our Field to Fork and TRAK traceability systems, for produce and meat raw materials respectively, by 2015.

Progress Field to Fork is our quality, safety and sustainability management system for agriculture. TRAK is the equivalent for livestock. See commitment 7.5 for more details.

We've launched a Producer Exchange website for our farmers, growers and the wider farming community. This provides news, updates on M&S activities and links to sustainability tools and best practices.

For more information see: producerexchange.marksandspencer.com



7.3 Food supplier Plan A benchmarks**

STATUS: ON PLAN

Aim Work with M&S food suppliers to implement a Gold/Silver/Bronze sustainability benchmarking standard to improve ethical and environmental performance. By 2015, 100% will be engaged and 25% by turnover will be at Gold level.

Progress We've developed a Food Supplier Sustainability Framework covering labour, environmental and lean manufacturing standards and best practices. It's been successfully trialled by a small number of our suppliers and we plan to roll it out more widely in 2011/12.



In February 2011, we held a Plan A Supplier Conference, attended by over 500 food suppliers, to encourage sustainable practices and help suppliers to understand our Framework in more detail. We also held quarterly Supplier Exchange meetings on ethical and environmental matters.

7.4 Energy efficiency at clothing top 100 factories

STATUS: ON PLAN

Aim Require our top 100 clothing factories to install more efficient lighting, improved insulation and temperature controls to reduce their energy usage by an estimated 10% by 2015.

Progress We've held energy efficiency best practice conferences for suppliers in different locations around the world. We've supported the assessment of 19 of our top 100 clothing factories and for a number of other suppliers who were interested in improving their energy management. Actions plans for these locations are now in place.

7.5 Sustainable farming**

STATUS: ON PLAN

Aim Engaging our producers of fresh meat, dairy produce and flowers in the M&S Sustainable Agriculture Programme by 2012. By 2015 we will have also engaged farmers producing agricultural raw materials for M&S food in the programme.



Progress We've engaged our producers of fresh meat, dairy produce and flowers in developing an overall sustainability framework called 'Farming for the Future'. It's supported by our Field to Fork and TRAK quality, safety and sustainability management systems as well as our new Producer Exchange website (see commitment 7.2 for more details). During the year we continued to develop these systems and to date have helped to fund 18 Pacesetter/best practice sustainability projects across different sectors of agriculture and livestock.



7.6 General Merchandise traceability**

STATUS: ON PLAN

Aim Improving traceability for the principal raw materials used within our General Merchandise supply chain by 2015.

Progress We've appointed a partner to work with us in developing a system to track the principal raw materials for our General Merchandise products through our supply chain. We launched a programme starting with our Childrenswear supply chain in March 2011.

7.7 Ethical trade benchmarks

STATUS: ACHIEVED

Aim Introducing a ranking system for suppliers covering ethical trading performance by the end of 2008.

Progress See our 2010 HWDB Report for more details.

7.8 Supplier Exchange – ethical trade

STATUS: ACHIEVED

Aim Launching a Supplier Exchange to drive best practices, stimulate innovation and help suppliers secure funds to develop more sustainable production techniques and invest in their workforces and local communities by 2012.

Progress See our 2010 HWDB Report for more details.

7.9 Franchise Plan A website

STATUS: ACHIEVED

Aim Launching a website for our franchise partners to inform them about Plan A and the activities that they could undertake in their own businesses.

Progress See our 2010 HWDB Report for more details.

Make Plan A how we do business

** Assurance on statements and claims is provided by Ernst & Young (see page 48 for details).

Objective

8

Create a culture of innovation on sustainability



8.1 Plan A Innovation Fund

STATUS: ON PLAN

Aim Launch a Sustainability Innovation fund in 2010 with £50m funding to be spent over the next five years.

Progress We launched our Plan A Innovation Fund this year. The Fund has an annual budget of £10m. Its governance Board is chaired by Richard Gillies, Director of Plan A, CSR and Sustainable Business, and includes Jonathon Porritt, Founding Director of Forum for the Future, M&S specialists and Professor Andrew Thompson, Pro Vice-Chancellor for Research and Innovation at Leeds University. This year, £7.5m was provided to support large-scale research projects on energy efficiency, reducing water consumption, dual fuel vehicles, biodiversity audits and refrigeration upgrades. A further £2.5m was used to fund over 40 smaller projects on issues including sustainable textile fabrics, reducing food waste, lower-fat dairy products, sustainable farming and paper-less billing and online communications.



8.2 Model Eco Dyehouses

STATUS: ON PLAN

Aim Support the development of three Model Eco Dyehouses by 2012, identify best practices and roll out to our supply chain.

Progress Our support for the development of a Model Eco Dyehouse in China has helped us to define best practices on energy, water, chemicals, waste, health & safety and productivity. It has also contributed to the development of our new Environmental and Chemical Policy published in May 2011 (see commitment 16.3 for more details).

We plan to extend our support to two more Model Eco Dyehouses in 2011/12.

8.3 Dual fuel vehicles

STATUS: ON PLAN

Aim Conduct a large-scale trial of dual fuel (gas/diesel) in our transport fleet by 2012 and trial the use of hydrogen fuel cells for fork lift trucks by 2012.

Progress Our plans to trial dual fuel diesel and bio-methane delivery vehicles have been delayed by technical difficulties. However, trials are now planned to start in the summer of 2011.

A trial of hydrogen fuel cell powered fork lift trucks is still at an early planning stage.

8.4 Sustainable retail

STATUS: ON PLAN

Aim Work with external partners to identify the characteristics of a sustainable retail business by 2011.

Progress In 2010, we announced our ambition to become the world's most sustainable major retailer by 2015. Although there are already a number of sustainability league tables, awards and benchmarks available we want to develop a better understanding of what we must do to achieve this ambition.

Consequently, we've commissioned Forum for the Future to provide an initial review of existing sustainability indices and league tables, Verdantix to assess measurement methodologies and both Ashridge Business School and Imperial College to identify the key factors contributing towards sustainable retailing. In March 2011, a new external advisory board met for the first time. The board, co-chaired by our Chief Executive Marc Bolland and Jonathon Porritt, will advise us on developing our strategy on sustainable retailing. (See page 46 for a full list of board members).



8.5 Plan A M&S Money products

STATUS: ON PLAN

Aim Undertake research with M&S Money on the provision of sustainable financial products and services by 2012.

Progress We've promoted and incentivised a move to paper-less billing and as of January 2010 all our home insurance policies featured 'green' benefits, with all replacement large 'white' electrical products at least A rated and severe building damage repairs completed to the standard of Level 4 Code for Sustainable Homes. We plan to conduct a full review of our financial services products in 2011/12.

M&S MONEY

Plan A Performance: **Pillar Three**

Climate change

** Assurance on statements and claims is provided by Ernst & Young (see page 48 for details).

Objective 9 Help our customers cut their carbon footprint



9.1 Six low carbon projects

STATUS: ON PLAN

Aim Launch at least six projects by 2012 which provide a step change in reducing carbon emissions across key M&S food product ranges.

Progress In 2010/11 we identified a range of projects that if successful, could significantly reduce the carbon footprint of M&S food products across farming, factories, packaging and food waste 'hotspots'. These include new products, such as alternatives to bottled water and lower carbon chocolate, which will be trialled in stores in 2011/12. We've also developed supply chain projects on low carbon healthy dairy production, factory energy reduction, techniques to minimise food waste in factories and more energy efficient transit packaging for raw materials.

9.2 Environmentally efficient food packaging**

STATUS: ON PLAN

Aim 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 In line with the findings from research undertaken by WRAP (Waste and Resources Action Programme), we believe that weight alone is a poor measurement of the environmental efficiency of packaging because it excludes important considerations such as product wastage, use of recycled content and recycling levels.



Material change for a better environment

To include these factors we are working with WRAP as part of their Courtald Commitment 2 initiative to develop a way of measuring packaging in terms of its overall carbon emissions.

We're also trialling software that takes account of an even wider set of environmental considerations, including water and land use. During the year we used this software to assess different packaging options, for example, the move from glass to lightweight plastic for pickle jars. We plan to use this approach to help us make the right packaging decisions when we are faced by complicated alternatives. We plan to share the results of our packaging assessments with WRAP.

9.3 Energy efficient electrical products

STATUS: ON PLAN

Aim Ensure that by 2015 at least 90% of our household electrical products meet a credible energy efficiency standard and improve the energy efficiency of the most energy intensive products by at least 25%.

Progress In 2010/11, 86% of our household electrical products met a credible energy efficiency standard where available. This includes two types of electrical products:

The most energy intensive products sold by M&S including 'white' goods such as cookers, fridges freezers, dishwashers, washing machines, tumble dryers and televisions are covered by EU Energy Efficiency labels. We only sell appliances with a rating of A or above and those which are A* and above are at least 25% more efficient. Last year, 8% of the appliances we stocked were in the more efficient A* and above category.



For less energy intensive products such as kettles and radios, we plan to use other credible standards including the Energy Saving's Trust's Recommended scheme, EU Ecolabel and the international Energy Star. In 2010/11, 40% of our less energy intensive products met one of these standards where available.



9.4 Carbon labelling

STATUS: ACHIEVED

Aim Supporting the work of the Carbon Trust to develop a carbon labelling scheme for consumer products and services by 2012.

Progress See our 2010 HWDB Report for more details.



9.5 Low carbon products and services

STATUS: ACHIEVED

Aim Develop a low carbon products and services business, including the provision of energy and insulation services by 2010.

Progress In October 2008 we launched M&S Energy in partnership with Scottish and Southern Energy. Today, M&S Energy is a successful business providing gas and electricity at competitive prices while also rewarding customers who successfully reduce their energy consumption. We launched a home insulation service in February 2010 and a solar energy installation service in October 2010.



9.6 WWF carbon footprint campaign

STATUS: ACHIEVED

Aim Launching campaigns with the WWF and National Federation of Women's Institutes (in 2008) to help our customers and employees understand their carbon footprint and how to reduce it.

Progress See our 2010 HWDB Report for more details.

9.7 Wash at 30

STATUS: ACHIEVED

Aim Working with the Climate Group on a major educational campaign in 2007 encouraging people to wash clothes at 30 degrees to cut energy use and CO₂ emissions.

Progress See our 2010 HWDB Report for more details.

9.8 Public transport and cycling

STATUS: ACHIEVED

Aim Progressively introducing facilities to encourage the use of public transport and cycling for both customers and employees where appropriate by 2012.

Progress See our 2010 HWDB Report for more details.

Climate change

** Assurance on statements and claims is provided by Ernst & Young (see page 48 for details).

Objective 10 Reduce our operational carbon emissions by 35% and make our operations carbon neutral



10.1 Energy use in data centres

STATUS: ACHIEVED

Aim Review energy usage in M&S data centres by 2011 and develop a plan to improve energy efficiency.

Progress We've reviewed the energy efficiency of our main data centre building, which accounts for a small proportion of our energy use. Over the next three years we plan to implement measures to improve energy efficiency starting with air conditioning and revised operating temperatures.

10.2 Video conferencing

STATUS: ON PLAN

Aim Review and improve M&S video conferencing facilities by 2011 to reduce unnecessary business travel.

Progress We've now reviewed our existing video conferencing facilities and plan to conduct a three-month trial of improved equipment at our Waterside Head Office and sourcing offices in Hong Kong, Turkey and India during 2011/12. This trial will assess whether the improved equipment can help reduce international business travel across M&S.

10.3 International logistics

STATUS: ON PLAN

Aim To transport 50% of International General Merchandise products directly to their retail destinations in 2011/12 and 80% in 2013/14 rather than routing through the UK.

Progress In 2010/11 around 32% by volume of General Merchandise destined for our International business was transported directly. We aim to increase this to 50% in 2011/12.

10.4 Carbon neutral operations**

STATUS: ON PLAN

Aim Aiming to move all our UK and Republic of Ireland operations (stores, offices, warehouses, business travel and logistics) to be carbon neutral by 2012. (Also an Annual Report KPI.)

Progress Our 2010/11 emissions were down by 13% or over 90,000 tonnes at 603,000 tonnes of CO₂e (2006/07: 697,000 tonnes of CO₂e). When calculated to show a like-for-like comparison, we've reduced our emissions by 25% to 38 tonnes per 1,000 sq ft of sales floor (2006/07: 51 tonnes CO₂e per 1,000 sq ft). This reduction is mainly due to improved efficiencies in electricity use, reductions in the leakage of gases from refrigeration and improved levels of waste recycling. We plan to make further reductions in our CO₂e emissions during 2011/12 and to supplement these with carbon reduction initiatives outside of our own operations.

Total CO₂e emissions tonnes

603,000 -13%

2006/07: 697,000

Total CO₂e emissions/1000 sq ft of sales floor tonnes

38 -25%

2006/07: 51

Operational CO₂e (000) tonnes

Direct emissions from M&S operations (scope 1) -8%

10/11 223

06/07 246

	06/07	10/11	% change
Store/office refrigeration/air conditioning gases	129	103	-20
Logistics transport/home deliveries	63	64	+2
Warehouse refrigeration gases	6	3	-50
Stores offices/warehouse on-site fuel usage	48	53	+10

In-direct emissions from M&S energy usage (scope 2) -6%

10/11 418

06/07 446

	06/07	10/11	% change
Store/office energy usage	407	381	-6
Warehouse energy usage	39	37	-5

Other in-direct emissions (scope 3)

10/11 -38

06/07 5

	06/07	10/11	% change
Business travel	10	15	+33
Waste disposal	-5	-53	-

Operational CO₂e emissions

Emissions are shown in compliance with DEFRA Greenhouse Gas Reporting Guidance published in September 2009. They have been calculated using revised carbon conversion factors published by DECC/DEFRA in October 2010 and Bitzer Report 16 for additional refrigeration gases. This includes all the activities where we have operational control. Data for 2006/07 has been re-stated using the latest conversion factors which are generally higher than earlier versions. It excludes all non-metered premises, shopping service contract supplies and Republic of Ireland and store personnel business travel. 2006/07 baseline emission for waste uses data from 2008/09 which was the first year we had calculated this figure.

10.5 Energy efficiency**

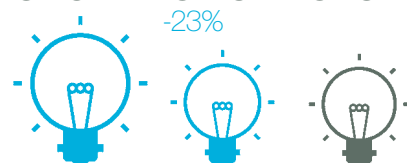
STATUS: ON PLAN

Aim Reduce store, office and warehouse energy usage by 25% per sq ft by 2012 and by 35% per sq ft by 2015. (Also an Annual Report KPI.)

Progress Store energy efficiency has been improved by 23% to 52.0 kWh per sq ft against 2006/07 (67.9 kWh per sq ft). Gas usage included in this calculation has been adjusted using standard degree days to reflect the cold winter of 2010/11 (56.9 kWh per sq ft before adjustment). We believe that these reductions have been achieved by investments in new technology, monitoring individual store performance and involving employees. As of April 2011, we had 39 Lower Energy Stores which have a wide range of energy management best practices.

Store energy use kWh per sq ft of sales floor

2006/07 67.9 2010/11 52.0 2012 target 51.0



We've reduced energy use in our warehouses by an average of 24% to 20.0 kWh/sq ft (2006/07: 26.4 kWh/sq ft). In 2010/11 we carried out major lighting upgrades at two of our General Merchandise warehouses using passive infra-red switches which only turn the lights on when people are in the area. Energy use in our offices remains higher by 6% at 52.5 kWh/sq ft (2006/07: 49.4 kWh/sq ft). We believe this increase is due to changes in the use of offices which were empty in 2006/07.

10.6 Fuel efficiency**

STATUS: ACHIEVED (FOR 2012 TARGET)

Aim Achieving a 20% improvement in fuel efficiency in our deliveries to stores by 2012 and 35% by 2015.

Progress Despite adding store equipment to our General Merchandise deliveries, fuel efficiency was still 20% better at 8 litres per 1000 singles delivered compared to 2006/07 when it was 10 litres per 1000 singles. (2010/11 data is based on an estimate of the fleets' total activities used to deliver products to stores. This is due to the merging of General Merchandise fleets).

Fuel efficiency for Food deliveries remained approximately level with last year at 1,993 litres per store per month – a reduction of 22% against 2006/07. (2006/07: 2,556 litres per store per month). We believe that we can make further improvements in 2011/12.

Objective 10 Reduce our operational carbon emissions by 35% and make our operations carbon neutral [continued]



10.7 Reduce business flights

STATUS: ON PLAN

Aim Reduce business flights by an average of 20% per employee by 2013.

Progress Despite the expansion of our International business, we reduced the number of flights for 2010/11 by 14% to an average of 0.36 flights per Full Time Equivalent employee against our first available baseline year of 2007/08 where we averaged 0.42 flights per Full Time Equivalent.

10.8 Green company car policy

STATUS: ACHIEVED

Aim Having introduced a 'green' company car policy we aim to continue to reduce CO₂ emissions towards 152g CO₂/km by 2012.

Progress Having already achieved this target, we've continued to reduce average emissions from our car fleet this year, to 149g CO₂/km (2006/07: 171g CO₂/km).

10.9 Green energy**

STATUS: ON PLAN

Aim Maintaining our commitment to procure 100% 'green' electricity by 2012 and improve the percentage of small scale sources we use.

Progress We now source 54% of our electricity from 'green' tariff renewable supplies, compared with a starting point of just 2% in 2006/07.

Green energy % of electricity from renewable sources

2006/07	2010/11	2012 target
2%	54%	100%



10.10 On-site renewables

STATUS: ON PLAN

Aim Installing and assessing on-site renewable energy generation in at least five stores by 2012.

Progress We're testing a range of technologies to generate renewable energy in five stores. We've installed solar photovoltaic (pv) panels to generate electricity at our store in Muswell Hill. We've also installed solar thermal panels to generate hot water in our stores in Witney and at Barton Square

Manchester and Telford, with plans for two further installations in 2011/12. The financial viability of both pv and solar thermal panels is currently dependent on Government incentivisation levels. Our store at Brooklands in Surrey is heated by a biomass boiler that burns Forest Stewardship Council certified wood chips and we plan to install a similar system in our new Sustainable Learning Store at Cheshire Oaks. We also plan to trial vertical-axis wind turbines and are also working with developers to incorporate the use of centralised renewable energy generation in several schemes.

10.11 Bio-diesel

STATUS: ON HOLD

Aim Conducting trials and move towards the use of 50% bio-diesel in our lorries as sustainable sources become available by 2012.

Progress This commitment will remain on hold until sustainable supplies of crop-derived bio-diesel are available. However, we are investigating the use of other alternative fuels (see commitment 8.3).

10.12 New transport technologies

STATUS: ACHIEVED

Aim Introducing innovative new transport technologies and set further targets as these become proven by 2012.

Progress See our 2010 HWDB Report for more detail.

10.13 EURO engines**

STATUS: ON PLAN

Aim Progressively converting delivery fleets to cleaner EURO IV and V standard engines by 2012.

Progress By the end of March 2011, we had upgraded 95%* of our core Food and General Merchandise delivery fleets to Euro IV or V specifications (2006/07: 21%).

EURO IV or V engines in fleet %

2006/07	2010/11	2012 target
21%	95%	100%
	+74%	



*Excludes 'Lunch to Go' fleet of small delivery vans.

10.14 Carbon offsetting policy

STATUS: ACHIEVED

Aim Having contributed towards the development of the Government's Quality Assurance Scheme we will continue to work with key stakeholders to develop our own policy on carbon offsetting by 2012.

Progress Having already achieved this commitment, we've continued our work with key stakeholders, including Forum for the Future, to refine our own definition of good quality carbon offsets in preparation for becoming carbon neutral in 2012.

10.15 Store refrigeration**

STATUS: ON PLAN

Aim Reducing store refrigeration gas carbon emissions by 50% by 2015. Using CO₂ systems in all new store refrigeration installations from 2010, replace HCFCs by 2014 and HFCs by 2030.

Progress Our emissions from refrigeration and air conditioning gases in 2010/11 were 103,000 tCO₂e, down by 20% against 129,000 tCO₂e in 2006/07. Allowing for increases in store footage, emissions were down 31% at 6.5 tCO₂e/1000 sq ft (2006/07: 9.4 tCO₂e/1000 sq ft). We've achieved these reductions by improving maintenance and introducing less harmful R407a HFC gases. 28 of our stores now use CO₂ refrigeration systems, while 355 use R407a as an interim measure until we complete the roll out of CO₂ systems.

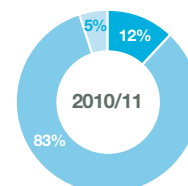
Store refrigeration and air conditioning emissions tonnes CO₂e per 1000 sq ft

2006/07	2010/11
9.4	6.5
	-31%



Refrigeration and air conditioning gases used in M&S stores

- HCFC 12%
- HFC 83%
- Other natural fluids and gases 5%



Climate change

** Assurance on statements and claims is provided by Ernst & Young (see page 48 for details).

Objective 11 Help our suppliers cut their carbon emissions



11.1 Supply chain climate adaptation

STATUS: ON PLAN

Aim Conduct a climate change risk assessment across all key parts of the M&S supply chain and where required, develop mitigation, resilience and adaptation plans by 2011.

Progress We're working with climate specialists to review the potential impacts of climate change on our Food and General Merchandise supply chains between 2020 and 2030, when significant climatic changes are forecast. The review has identified that the main risks lie in changes of growth rate and geographical distribution for a wide range of raw materials including cotton, forest products, fish, livestock and agriculture. Following the completion of this work in summer 2011 we'll work with our suppliers in developing plans to address these risks and opportunities.



11.2 Food factory environmental standards

STATUS: ON PLAN

Aim Work with M&S food suppliers to ensure that all factories have an environmental action plan, so that by 2015, 25% of M&S food (by turnover) will be produced by factories that have improved energy efficiency by at least 20%.

Progress We've developed a Food Supplier Sustainability Framework that includes environmental standards and best practice. It's been successfully trialled by a small number of our suppliers and we plan to roll it out more widely in 2011/12.

In our quarterly supplier meetings, a range of experts and suppliers have shared top tips about how to progress, and together with them we've produced a range of guidance documents, including an energy efficiency Top Tips Guide.



11.3 Electricity from small scale generators

STATUS: ACHIEVED

Aim Source more renewable electricity from a wide range of technologies operated by small-scale generators.

Progress In 2010/11 we increased our sourcing of renewable energy from small-scale hydro, wind and anaerobic digestion generators to over 50 GWhs, equivalent to 12% of our total renewable electricity usage.

Proportion of renewable energy from small-scale generators

12%

11.4 Supplier logistics

STATUS: ACHIEVED

Aim Working with our suppliers to understand how we can improve the efficiency of their deliveries to our distribution centres, including increasing the use of rail transport by 2012.

Progress See our 2010 HWDB Report for more details.

11.5 Food carbon footprint

STATUS: ACHIEVED

Aim Working with the Carbon Trust we will identify carbon 'hot spots' in the food supply chain in 2007 and set targets to reduce CO₂ emissions by 2012.

Progress See our 2010 HWDB Report for more details.

11.6 Minimise food airfreight

STATUS: ACHIEVED

Aim Investigating and minimising our use of airfreight whilst balancing the need to trade with developing countries and provide nutritional choice.

Progress See our 2010 HWDB Report for more details.

11.7 Supplier Exchange – reducing CO₂

STATUS: ACHIEVED

Aim Mobilising our key suppliers via our Supplier Exchange to significantly reduce their CO₂ emissions by 2012.

Progress See our 2010 HWDB Report for more details.

11.8 Green factories

STATUS: ACHIEVED

Aim Supporting the development of 'green' factories with our suppliers.

Progress See our 2010 HWDB Report for more details.

11.9 Agricultural carbon balance

STATUS: ACHIEVED

Aim Undertaking research to understand the carbon balance associated with the production of agricultural raw materials by 2012.

Progress See our 2010 HWDB Report for more details.

11.10 Airfreight labelling

STATUS: ACHIEVED

Aim Labelling all airfreighted food products within 12 months (by 2008).

Progress See our 2010 HWDB Report for more details.



Plan A Performance: **Pillar Four**

Waste

** Assurance on statements and claims is provided by Ernst & Young (see page 48 for details).

Objective 12 Create partnerships to help our customers reuse or recycle all our products and packaging



12.1 Clothes hanger reuse

STATUS: ON PLAN

Aim Collect at least 70% of the clothing hangers we use and reuse at least 85% of these by 2012.

Progress In 2010/11 we collected 152 million clothes hangers (67% of our total usage) and reused 79% of them with the remainder recycled. We aim to increase the total we reuse to 85% in 2011/12.

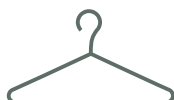
Percentage of clothes hangers reused

2010/11

79%

2012 target

85%



12.2 Customer clothes recycling**

STATUS: ON PLAN

Aim Help our customers to recycle 20 million items of clothing each year by 2015.

Progress The M&S and Oxfam Clothes Exchange completed its third year in 2010/11. The initiative encourages customers to donate unwanted M&S clothing to Oxfam in exchange for a £5-off £35 discount voucher. We ran major national 'One Day Wardrobe Clear-out' events in September 2010 and March 2011, with both featuring celebrity donations. In total, over 3 million garments were collected (last year 1.8 million) and over 500,000 vouchers issued. This helped Oxfam to raise around £3.3m to support its development work.

We also donated around 300,000 damaged garments to Oxfam from our stores.



12.3 Packaging recycling partnerships

STATUS: ON PLAN

Aim Work in partnership to help improve national levels of packaging recycling (e.g. RecycleBank, local authority partners etc.).

Progress We've now started working with Somerset County Council's Waste Partnership. We'll provide £1.25m over five years to extend collections of plastic and cardboard under the partnerships Sort It programme, which has collected an additional 5,000 tonnes of material for recycling this year. We plan to extend a similar scheme to Kent's Waste Partnership in 2011/12.

12.4 Reduce home delivery packaging

STATUS: ON PLAN

Aim Reduce home delivery packaging by 30% in weight by 2015.

Progress By the end of 2010 we'd reduced the weight of packaging used in General Merchandise home deliveries by 16% per parcel to 194g per parcel (2008/09: 230g* per parcel).

*Data based on calendar year and excludes furniture.

Home delivery packaging

2010/11

-16%

2015 target

-30%



12.5 Simplify packaging materials

STATUS: ON PLAN

Aim Simplify the number of packaging materials we use and maximise the use of recycled content where this is carbon efficient by 2015.

Progress Following the removal of virtually all polyvinyl chloride (PVC) plastic from our food packaging several years ago we're now working to remove polystyrene (PS). Once this is done, all M&S food plastic packaging will be made from materials that are easier to recycle such as: polyethylene (PE), polyethylene terephthalate (PET) and polypropylene (PP). In 2010/11 we replaced PS used in pizza packaging with recyclable board.

12.6 Reduce weight of non-glass packaging**

STATUS: ACHIEVED

Aim Reducing the weight of non-glass packaging by 25% by 2012.

Progress Total: Since 2006/07 we've reduced non-glass packaging by an average of 26% to 20g per item sold (2006/07: 27g).

Food: Since 2006/07 we've reduced non-glass packaging by an average of 20% to 20g per item sold (2006/07: 25g). We've also reduced the weight of glass we use, replacing it with lightweight PET plastic on items such as pickles and 25cl wine bottles. This will save an additional 1,100 tonnes of packaging a year.

General Merchandise: By the end of 2010 we'd reduced our non-glass packaging by 46% to 21g* per item sold (2006: 39g* per item). This includes reductions through our clothing hanger projects.

*Data based on calendar year.

12.7 Sustainable packaging materials**

STATUS: ACHIEVED

Aim Increasing the amount of packaging made from more sustainable raw materials such as recycled materials and Forest Stewardship Council wood pulp by 2012.

Progress See our 2010 HWDB Report for more details.



12.8 Packaging recyclability

STATUS: ACHIEVED

Aim Ensuring that all packaging can be easily recycled or composted accepting that in some case this may require the use of heavier materials by 2012.

Progress See our 2010 HWDB Report for more details.

12.9 WRAP recycling symbols

STATUS: ACHIEVED

Aim Labelling all our packaging with the WRAP and Recycle Now symbols by 2012.

Progress See our 2010 HWDB Report for more details.

12.10 Courtauld Commitment

STATUS: ACHIEVED

Aim Continuing to work with WRAP in order to achieve the targets to reduce packaging and food waste contained in the Courtauld Commitment between 2008 and 2010.

Progress See our 2010 HWDB Report for more details.

12.11 Clothes hanger recycling

STATUS: ACHIEVED

Aim Extending hanger recycling with a customer awareness campaign to build on the 50 million we currently recycle and reuse each year.

Progress See our 2010 HWDB Report for more details.

Waste

** Assurance on statements and claims is provided by Ernst & Young (see page 48 for details).

Objective 12

Create partnerships to help our customers reuse or recycle all our products and packaging [continued]



12.12 Recycling services for customers

STATUS: ACHIEVED

Aim Introducing a range of recycling services for our customers including a project for used clothing.

Progress We've already achieved this commitment, but continue to provide a range of recycling services. In 2010 we launched an Electrical Gadget Recycling initiative, incentivising customers by providing M&S gift vouchers and allowing them to donate to a range of charities. Through our 2011 Christmas card recycling scheme we collected 200 tonnes of material, equivalent to 10 million cards (last year 153 tonnes).



12.13 Reduce carrier bag use**

STATUS: ACHIEVED

Aim Reducing carrier bag use by 33% by 2010 including launching a 'No to Bags' campaign.

Progress Having already achieved this commitment, we've continued to promote carrier bag reuse. In 2010/11 we used 248 million one-trip carrier bags, a reduction of 62% since 2006/07 (657 million). Of these, 94 million were used in our Food sections, where we made a reduction of 80% (2006/07: 464 million).

A further £1.9m profit from the sale of Food carrier bags was donated to environmental charity Groundwork to support funding for gardens, parks and play areas. Since May 2008 this funding has supported projects in 100 locations across the UK, including a 125th Anniversary project in the town centre of Leeds.

In the Republic of Ireland, legislation already imposes a charge on polythene carrier bags. Legislation to introduce a minimum 5p charge for all one-trip carrier bags is planned in Wales from October 2011.



12.14 Carrier Bag Agreement

STATUS: ACHIEVED

Aim Having reduced the overall environmental impact of our carrier bags by 83% since 2006, along with other major retailers, we have committed to reduce the total number of bags used by 50% by the end of May 2009 as part of a revised Carrier Agreement with the UK Government.

Progress See our 2010 HWDB Report for more details.

Objective 13

Send no operational and construction waste to landfill and reduce our operational waste by 25% and construction waste by 50%



13.1 Reduce food waste and GM transit packaging**

STATUS: ON PLAN

Aim Reduce store unsold food waste and General Merchandise transit packaging waste by 25% by 2015.

Progress The total amount of waste we produce is down by 34% against 2008/09 (see commitment 13.5 for more details). To maintain this downward trend, we've introduced programmes designed to minimise our two main sources of waste: General Merchandise transit packaging and unsold food.

In 2010/11 we started work in all our General Merchandise departments to measure, assess and reduce the amount of transit packaging we use. From 2011/12 we aim to provide data on all reductions achieved.

This year, we recovered an estimated 37% of unsold food based on sales value by selling short life products at a discount to our customers. We believe that we can improve this figure in 2011/12.

13.2 Waste carbon footprint**

STATUS: ACHIEVED

Aim Report on the carbon footprint of our waste and achieve a position of at least carbon neutral disposal by 2012.

Progress We've used the October 2010 DEFRA/DECC greenhouse gas reporting guidelines to calculate carbon emissions from our waste recycling and disposal. This figure is listed under our carbon emissions for commitment 10.4, showing that our recycling activities (including coat hanger reuse and recycling) created a saving of carbon equivalent to around 53,000 tonnes CO₂e.

13.3 Reduce construction waste

STATUS: ON PLAN

Aim Reduce construction waste generated by 50% per £100,000 project by 2015.

Progress We've reviewed our store design briefs and in partnership with Waste and Resources Action Programme (WRAP) have developed 'best practice' guidelines for architects, explaining how to minimise waste and incorporate recycled materials.

We will be using 2010/11 as the starting point for this commitment – reporting 3.7 tonnes of waste per £100,000 of project spend for the year.

13.4 Reduce paper usage

STATUS: ON PLAN

Aim Reduce the use of printer paper across our stores and offices by 25% by 2012, including upgrading M&S head office printing technology to improve efficiency and reduce use.

Progress In 2010/11 we used 325,885 reams of printing paper (a ream is a pack of 500 sheets) a reduction of nearly 13% on 2009/10 (373,305). This was achieved through improved IT and management controls.

Paper use

2009/10	2010/11
373,305	325,885
	-13%



Objective 13

Send no operational and construction waste to landfill and reduce our operational waste by 25% and construction waste by 50% [continued]



13.5 No waste to landfill**

STATUS: ON PLAN

Aim Aiming to ensure that M&S operations in the UK and Republic of Ireland (stores, offices and warehouses) will send no waste to landfill by 2012. (Also an Annual Report KPI.)

Progress We've made good progress this year. Recycling averaged 94% of the waste generated in our stores, offices and warehouses (2008/09: 41%). We ended the year in March 2011 on a recycling rate of nearly 98%. Our total waste was down 34% – a reduction we believe is a result of less food waste and improvements in the accuracy of our data.

Store, office and warehouse waste
000 tonnes



13.6 Reduce food waste

STATUS: ACHIEVED

Aim Setting targets over the next 12 months (by 2008) to reduce food waste from our stores and distribution centres.

Progress See our 2010 HWDB Report for more details.

13.7 Food waste to composting and AD**

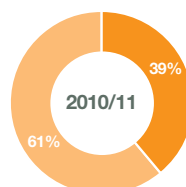
STATUS: ACHIEVED

Aim Sending all remaining food waste to some form of recycling including composting and anaerobic digestion by 2012.

Progress In 2010/11 we processed all food waste from our food sections using a range of treatment technologies, with 39% going to anaerobic digestion. As of March 2011, food waste from our cafés (which has a different legal classification and has taken longer to license) was also sent for recycling. We plan to increase the amount of food waste we send to anaerobic digestion during 2011/12

Food waste to composting and AD

- Anaerobic digestion 39%
- Composting and other technologies 61%



13.8 No construction waste to landfill**

STATUS: ON PLAN

Aim Sending no waste to landfill from M&S store construction programmes by 2012.

Progress In 2010/11 we recycled 96% of our construction waste – up from an industry average of 65% in 2006/07 (excluding asbestos which is not currently recyclable).

13.9 Use of recycled materials in construction

STATUS: ACHIEVED

Aim Working with WRAP (Waste and Resources Action Programme) to increase the amount of recycled materials used in the construction and fit-out of our stores.

Progress See our 2010 HWDB Report for more details.

13.10 Closed loop recycling

STATUS: ACHIEVED

Aim Trialling closed loop recycling for packaging in Café Revives over the next 12 months (by 2008).

Progress See our 2010 HWDB Report for more details.

Objective 14

Help our suppliers to reduce waste and send no waste to landfill



14.1 Food packaging write-offs

STATUS: ON PLAN

Aim Minimise write-offs of food packaging stocks.

Progress We're currently reviewing the best way of measuring progress against this commitment.

14.2 Food supplier waste

STATUS: ON PLAN

Aim Work with M&S Food suppliers to reduce waste to landfill, so that by 2015, 25% of M&S Food (by turnover) is produced in factories that send no waste to landfill.

Progress We've developed a Food Supplier Sustainability Framework, which includes standards for reducing waste to landfill. We've successfully trialled it with a small number of our suppliers and plan to roll it out more widely in 2011/12. A number of suppliers, waste contractors and organisations who divert waste from landfill have spoken at our quarterly supplier meetings and helped us to develop waste reduction and waste contractor Top Tips Guides for our suppliers to use.

Natural resources

** Assurance on statements and claims is provided by Ernst & Young (see page 48 for details).

Objective 15 Ensure efficient use of natural resources in our operations



15.1 Recycled consumables

STATUS: ACHIEVED

Aim Improving our use of recycled and recyclable materials in consumable items used in our stores and offices by 2012.

Progress See our 2010 HWDB Report for more details.

15.2 Reduce water usage**

STATUS: BEHIND PLAN

Aim Reducing water usage by 20% for existing stores, offices and warehouses by 2012 and by 25% by 2015. From 2010, make our new stores 35% more water efficient.

Progress Our store and office water usage in 2010/11 was 67 litres per sq ft, down by 8% against 2006/07 (73 litres per sq ft). Total store and office usage was 1,098,888 m³ (2006/07: 1,050,097 m³). We've struggled to identify ways to reduce usage in line with our target, however, following a series of successful trials we've now put a plan in place to improve efficiency in 2011/12.

Food warehouse usage has already exceeded our 2015 target and was down 62% at 48 litres per sq ft against 2007/08 (127 litres per sq ft). Total Food warehouse usage was 58,449 m³ (2007/08: 127,123 m³). General Merchandise warehouse data is not yet available.



Food warehouse water efficiency litres per 1000 sq ft

2007/08	2010/11	2012 target
127	48	102

-62%

exceeded



Store and office water efficiency litres per 1000 sq ft

2006/07	2010/11	2012 target
73	67	58

-8%



15.3 Sustainable construction

STATUS: ACHIEVED

Aim Setting sustainable raw material standards for store construction and equipment by 2012.

Progress See our 2010 HWDB Report for more details.



Objective 16 Reduce the impact on the natural resources used to make our products



16.1 Food factory water use**

STATUS: ON PLAN

Aim Work with M&S food factories to improve water monitoring and efficiency by 2015.

Progress Water efficiency is a key part of the Foods Supplier Sustainability Framework, which has been developed with a small group of suppliers and is planned for wider rollout in 2011/12. This is in addition to our actions on wider water stewardship shown under commitment 16.25.

16.2 Sustainable farmed fish**

STATUS: ON PLAN

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

Progress We participated in WWF's Aquaculture Dialogues initiative on farmed salmon, warm water shrimps and farmed trout. Together, these account for the vast majority of all the farmed fish we sell. The Aquaculture Dialogues initiative is developing global sustainability standards. These are now in advanced drafts and are due to be published in 2011/12. After publication, we plan to work with our suppliers on implementing key elements of the standards. We're also working with our suppliers on projects to improve the sustainability of fish feeds.



16.3 General Merchandise chemical policy

STATUS: ACHIEVED

Aim Update our chemical and environmental policy for dye-houses, fabric printers, laundries and tanneries to include water management practices by 2011.

Progress We've updated our standards and in May 2011 we published a new Environmental and Chemical Policy. This includes revised sections on banned and restricted chemicals as well as compliance with new EU legislation, known as REACH Regulations.

16.4 Food animal welfare

STATUS: ON PLAN

Aim Continue to work with M&S food suppliers and specialists to monitor and further improve animal health and welfare standards using the M&S TRAK system.

Progress M&S animal health and welfare standards build on UK Farm Assurance scheme requirements. In 2010, we commissioned an independent audit body to compare our animal health and welfare standards against those used by other parts of the UK food industry. M&S Codes of Practice were then revised to ensure that the best industry standards of farm animal welfare are maintained. To assist us in the development of future standards we've also set up a specialist animal health and welfare advisory panel.

16.5 M&S packaging forest

STATUS: ON PLAN

Aim Develop and source M&S food board packaging by 2012 from an M&S Model Forest Programme.

Progress We've continued the development of our Model Forest Programme with a Forest Stewardship Council (FSC) certified supplier in Sweden. In addition to FSC certification, we'll also include measurements based on wider key supply chain issues, including transport and mill efficiency. We plan to trial this approach on sandwich packaging in 2011/12.



16.6 Animal testing cut-off on cleaning materials

STATUS: ON PLAN

Aim Extend our animal testing fixed cut-off date to the cleaning products we use in our stores and offices by 2012.

Progress We're working with our supplier of store and office cleaning products to meet the same cut-off date of January 2006 as our M&S beauty and homecare products.

16.7 Recycled bin bags

STATUS: ACHIEVED

Aim Launching a range of bin bags made from recycled polythene collected from M&S distribution centres by 2012.

Progress See our 2010 HWDB Report for more details.

16.8 Recycled carrier bags**

STATUS: ACHIEVED

Aim Making our remaining carrier bags out of recycled polythene by 2008/09.

Progress Having already achieved this commitment, we've continued to use recycled polythene to manufacture all our carrier bags. Recycled materials accounted for 96% of all the polythene used in carrier bags this year.

16.9 Tripling organic food

STATUS: BEHIND PLAN

Aim Tripling our sales of organic food in the UK and Republic of Ireland by 2012.

Progress Sales of organic food continued to decline in 2010/11 and they're now lower than our 2005/06 baseline year. We aim to review our plans for organic food in 2011/12.

16.10 Phase-out hazardous pesticides**

STATUS: ON PLAN

Aim Work in partnership with PAN UK to develop plans to phase-out additional hazardous chemicals in food production based on assessments of operator safety and environmental impact by 2012.

Progress As part of our ongoing pesticide improvement and reduction programme, we banned the use of a further 20 pesticides in November 2010. This ban covers paraquat and four of the top 10 pesticides identified in dialogue with the Pesticide Action Network UK. We'll continue our work to phase-out the remaining six priority pesticides as well as our remaining wider list of 18 restricted chemicals.

Natural resources

** Assurance on statements and claims is provided by Ernst & Young (see page 48 for details).

Objective 16 Reduce the impact on the natural resources used to make our products [continued]



16.11 Pesticide residue-free food**

STATUS: ON PLAN

Aim Work towards M&S fruit, vegetables and salads being 75% pesticide residue-free by 2015 and 100% pesticide residue-free by 2020.

Progress This year, *45% of M&S fruit, vegetables and salads were independently tested as pesticide residue-free at or above 0.01 parts per million (using tests that prioritise produce likely to have detectable residues). During 2010, we adopted a new testing method that can detect a wider range of pesticides. During 2011/12 we aim to develop a more representative measurement showing how much of all our produce is pesticide residue-free.

*Data based on calendar year.

16.12 Pesticide Action Network

STATUS: ACHIEVED

Aim Launching a Pesticide Residue Reduction Network with our suppliers by 2012.

Progress See our 2010 HWDB Report for more details.

16.13 Non-GM food

STATUS: ON PLAN

Aim Maintaining our non-GM M&S food policy.

Progress We've continued our policy of using only non-GM ingredients in M&S food.

16.14 Sustainable textiles

STATUS: ACHIEVED

Aim Reducing the environmental impact of the textiles we sell throughout our supply chain by 2012.

Progress See our 2010 HWDB Report for more details.

16.15 Procure sustainable cotton

STATUS: ON PLAN

Aim Procure 25% of cotton from sustainable sources by 2015 and 50% by 2020.

Progress Building on commitment 17.20, we plan to increase our use of more sustainable types of cotton in our products. We've defined sustainable cotton as including Fairtrade, organic, recycled and Better Cotton Initiative cotton and have already purchased small quantities of organic, recycled and Better Cotton Initiative cotton for use in 2011/12.



16.16 Six raw materials to stop deforestation**

STATUS: ON PLAN

Aim Source six vulnerable raw materials from sources that do not contribute to deforestation by 2015 (palm oil, soy, cocoa, beef, leather and coffee).

Progress Palm oil: We've made progress towards our goal of using only certified sustainable palm oil by 2015, introducing an additional 35 sustainable palm oil food products this year and purchasing the equivalent number of GreenPalm certificates for all other M&S products made with palm oil. These are designed to encourage greater production of sustainable palm oil.



Soy: We're members of the Roundtable for Responsible Soy (RTRS) and the Soy Moratorium, which commits us not to buy soy from the Amazon Biome, an area vulnerable to deforestation. During the year we mapped our usages of soy in detail.



Beef: We've strengthened the standards ensuring that Brazilian beef used in our canned and corned beef products is not sourced from the Amazon Biome. Our longer-term aim is to increase volumes from the UK and during 2011/12 we plan to introduce UK sourced canned beef products.

Cocoa and coffee: We've mapped our usage and engaged with a number of experts and suppliers to understand the most sustainable route for our supply chain. We plan to continue this work in 2011/12.

Leather: Using information provided by partners we've developed a way to classify sources of leather, based partly on threats to deforestation. In 2011/12 we plan to start assessing our sources of leather using this technique.

16.17 Sustainable wood**

STATUS: BEHIND PLAN

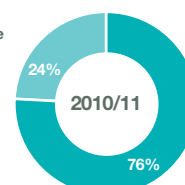
Aim Working with the Rainforest Alliance to ensure that by 2012 all of our wood is sourced responsibly, which means that it's either recycled, Forest Stewardship Council (FSC) certified or otherwise protects forests and communities.

Progress Using a new system to collate data, around 76% of the wood based materials we used were FSC certified, recycled or from sources that protect forest and communities based on the data collated (last year 72%). This includes our new Sustainable Learning Store at Ecclesall Road in Sheffield which is the world's first fully FSC certified 'build and fit out' retail store to use 100% FSC timber (FSC-N0001634). We've found that gathering data on materials, species, locations, volumes and risks from around the world is a complex process and we will continue to work with this system to improve the completeness and accuracy of the data we gather.

The remaining volumes of around 24% came from sources requiring improvement.

Wood material use (excluding fabrics, newspapers and magazines)

- Forest Stewardship Council, recycled or in a category which otherwise protects forests and communities 76%
- Requiring improvement 24%



Objective 16 Reduce the impact on the natural resources used to make our products [continued]



16.18 Sustainable wild fish**

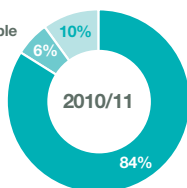
STATUS: ON PLAN

Aim By 2012, all of our wild fish will come from the most sustainable sources available such as Marine Stewardship Council (MSC). Where MSC certified sources are not available, we're working with WWF to ensure that all our other fisheries have sustainable practices in place that respect the natural environment.

Progress We've continued our work with WWF to support their Seafood Charter. We've now assessed all fisheries, and in March 2011, 90% of the weight of the fish we sold this year was classified as being 'MSC certified/undergoing MSC assessment' or 'non-MSC but with sustainable practice applied/in a fisheries improvement project'. 10% was from fisheries requiring improvement. We're working with WWF and these fisheries to develop improvement plans focused on priority species and locations.

Wild fish sourcing

- MSC certified/undergoing MSC assessment 84%
- Non-MSC but with sustainable practices applied/fisheries improvement project 6%
- Non MSC and requiring improvement 10%



16.19 Dyehouse standards

STATUS: ACHIEVED

Aim Further improving our auditing system for dyehouses to ensure compliance with our sector leading environmental and health & safety standards by 2012.

Progress See our 2010 HWDB Report for more details.

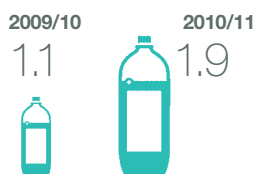
16.20 Recycled polyester

STATUS: ACHIEVED

Aim Using recycled plastic (e.g. used bottles) to make polyester, rather than using oil. Make ranges of men's, women's and children's polyester fleeces from recycled plastic within a year. Extend to other polyester ranges such as trousers, suits and furniture 'fill' by 2012.

Progress Previously achieved. We've continued to increase our use of recycled polyester in General Merchandise products to over 1,900 tonnes (last year 1,100 tonnes), equivalent to 47 million two litre plastic bottles (last year 27 million).

Use of recycled polyester 000 tonnes



16.21 GM animal welfare

STATUS: ON PLAN

Aim Work in partnership with the RSPCA to develop a tailored approach to animal welfare in our General Merchandise raw material supply chains by 2012.

Progress We've worked with the RSPCA and other partners to develop a way of classifying sources of leather based on animal welfare, traceability, tannery standards and threats to deforestation. In 2011/12 we plan to start assessing our sources of leather using this approach. In 2010, we received the RSPCA's Fashion Category Outstanding Achievement Award.

16.22 Beauty testing cut-off date

STATUS: ACHIEVED

Aim Launching a fixed cut-off date commitment for all our beauty products.

Progress See our 2010 HWDB Report for more details.

16.23 Free range food

STATUS: BEHIND PLAN

Aim Converting all our whole fresh turkey, geese and duck; and fresh pork products to free-range by 2012.

Progress In 2010/11, all of our fresh whole duck, geese and the majority of our turkeys came from free range producers. Responding to customer demand we offered small volumes of high welfare (but non free range) turkeys for Christmas 2010 and following extensive trials we have suspended our plans to convert all fresh pork to free range due to disappointing sales. However, we have moved all of our sausage, bacon and some sliced meats to British outdoor bred pork and plan to extend this approach to other types of pork products in the future.

16.24 Oakham chicken

STATUS: ACHIEVED

Aim Further improve stocking densities for our welfare award winning Oakham chicken by 2012.

Progress See our 2010 HWDB Report for more details.

16.25 Supply chain water efficiency**

STATUS: ON PLAN

Aim Working with our suppliers to improve the efficiency of water use during the production of raw materials and products by 2012.

Progress We know that water efficiency in food manufacturing is very important (See commitment 16.1) but recognise that we also need to work with our suppliers to address water use in raw material production as well. To improve our understanding we've participated in three water stewardship projects, including one in Kenya with the Alliance for Water Stewardship (AWS) which is now completed. This project is planned to form the foundation of a future water best practice certification scheme. Two projects with WWF on assessing global water risks and UK water quality are underway and will also be extended to our General Merchandise business.

On General Merchandise, we've included sections on water efficiency and quality in our new Environmental and Chemical Policy published in May 2011. We're also developing an Eco Factory Standard, which will cover water efficiency and count towards our Plan A qualities (see commitment 1.1 for more details). Our commitment to buy more sustainable cotton, including materials from the Better Cotton Initiative, will also help to reduce our overall water footprint.

Fair partner

** Assurance on statements and claims is provided by Ernst & Young (see page 48 for details).

Objective 17

Ensure workforces and communities benefit in our supply chain



17.1 Living wage**

STATUS: ON PLAN

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 and by rolling out our Ethical Model Factory programme to ensure the cost price benefits are paid to workers.

Progress We've helped our suppliers to set up 12 Ethical Model Factories in Bangladesh and three in India. We've also developed a buying tool that takes into account the amount of time required to make a garment, helping us to set a price that we know allows for the payment of a fair living wage in Bangladesh, India and Sri Lanka. We're currently evaluating this tool.

17.2 Supply chain training

STATUS: ON PLAN

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 In total, we provided training and education on employment rights and health and safety for more than 37,000 workers in 2010 – most of them employed by our General Merchandise suppliers. We also provided training for 150 supervisors and 100 workers in our Food supply chain in Kenya.

17.3 Single Ethical Code

STATUS: ON PLAN

Aim Collaborate with other retailers and brands to promote a single global ethical trading code by 2012 and an effective monitoring scheme. Provide support through on-site training and conferences to raise worker and management awareness and knowledge.

Progress We've participated in the Global Social Compliance Programme (GSCP) along with other businesses, in projects to develop a global reference code, which will identify key differences between various company approaches, and make it easier to understand if other types of audit can be used to meet our requirements. Through this programme and our work with SEDEX (Supplier Ethical Data Exchange), we've shared best practice on data, assessments, training auditors and audit quality.

We've conducted two trials to compare different approaches to auditing, and in addition, held 20 conferences worldwide (in countries including Chile, Kenya, China, India, South Africa and Egypt), attended by around 2,900 people.

17.4 Research on community impacts

STATUS: ON PLAN

Aim Conduct research into the impact of trading with M&S on vulnerable communities by 2012.

Progress We've completed two community impact assessments (one in the UK and one in Kenya) and reviewed eight other available methodologies. In 2011/12, we aim to identify the approaches that will prove most effective in future.

17.5 Food supply chain skills

STATUS: ON PLAN

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 We've worked with the British Nutrition Foundation's schools education team to develop teaching material on food nutrition and sustainability. Our own Food group has also hosted visits from Nottingham and Reading Summer Schools to explain the skills required in our food supply chains.

17.6 Food supply chain HR

STATUS: ON PLAN

Aim Work with M&S food factories to strengthen human resource practices, use people performance indicators, staff surveys, invest in staff training and mature industrial relations to create better places so that by 2015, 25% of M&S food will be produced by factories with human resource best practices.

Progress We've developed a Food Supplier Sustainability Framework that includes labour standards and best practices. It's been successfully trialled by a small number of our suppliers and we plan to roll it out more widely in 2011/12.

17.7 Construction Health and Safety

STATUS: ON PLAN

Aim Work with our construction suppliers to reduce reportable incidents on-site and increase awareness of health and wellbeing amongst their employees by 2012.

Progress We complete internal audits at every M&S construction site and in 2010/11 reported a calculated Accident Incident Rate (AIR) on M&S sites of 323.2, less than half the industry average of 735.6 last year (source: HSE). We've co-funded pilot worker health screening projects with each of our major construction contractors on at least one M&S building site – addressing issues such as night working and continued exposure to the sun. We've also given some of our building contractor's access to our employee health and wellbeing website. We plan to encourage all our main building contractors to adopt worker health screening programmes in future.

17.8 Further five produce R&D projects

STATUS: ACHIEVED

Aim Launch a further five Research and Development projects by 2012 to extend UK growing seasons and develop new varieties that support UK agriculture.

Progress This year we've launched a further five projects to increase the availability of UK produce. We've extended our season for UK grown asparagus again so that it now runs from April to September. We've also supported trials of UK grown kiwi fruit, yellow plums and several varieties of cherries.

17.9 UK and Rol food sourcing

STATUS: ACHIEVED

Aim Sourcing as much food as possible from the UK and Republic of Ireland by 2012.

Progress We source all our fresh beef, pork, chicken, turkey, duck, goose, farmed salmon and trout, shell eggs and milk from the UK and Republic of Ireland. In addition, all our bacon and sausages are British.



In 2010/11, we increased our range of British pears by 40% and also extended our ranges of British apples, blueberries and mange tout. We introduced British baby watermelon and the flower sprout along with UK grown chrysanthemums and lavender. We've also launched a range of hams made with Irish pork.

17.10 Five R&D produce projects

STATUS: ACHIEVED

Aim Launching five Research and Development projects to extend UK growing seasons and develop new varieties that reduce the need for imports.

Progress See our 2010 HWDB Report for more details.

17.11 Semi-announced supplier assessments

STATUS: ACHIEVED

Aim Having introduced semi-announced assessments of our suppliers, conducted within a three-week period, we are aiming to continue to strengthen our auditing and follow-up by 2012.

Progress See our 2010 HWDB Report for more details.

Objective 17 Ensure workforces and communities benefit in our supply chain [continued]



17.12 In country resources

STATUS: ACHIEVED

Aim Increasing the number of people based in the countries of production to follow up concerns identified by our assessment system within 12 months (by 2008).

Progress See our 2010 HWDB Report for more details.

17.13 Supplier ethical assessments**

STATUS: ACHIEVED

Aim Enabling suppliers to address difficult issues such as 'living' wage and working hours through collaborative networking, conferences and the launch of an Ethical Exchange website. Setting up best practice projects including at least six ethical model factories and a worker's rights training programme which can be extended across our supply chains by 2012.

Progress See our 2010 HWDB Report for more details.

Monitoring: We currently have 3,512* General Merchandise and Food product and material suppliers on our SEDEX database with an up-to-date assessment. We update the database on an ongoing basis and monitor current performance. In 2010, together with our suppliers, we completed 1,245* ethical audits (last year 1,184*).

In 2010 our suppliers undertook 4,254* corrective actions (last year 4,170*).

We provided nearly 170,000* hours of supplier training (last year 80,000*).

*Data based on calendar year.

17.14 Extend ethical assessments

STATUS: ON PLAN

Aim Extend the scope of our ethical trading assessments to include other parts of our supply chain including our top 20 (by spend) non-merchandise suppliers by 2015.

Progress We've extended our ethical assessments for Food to include UK dairy, fishing boat and salmon farm workers as well as vanilla plantations in Madagascar and agricultural workers in the Turkish dried fruit industry. In General Merchandise we included fabric mills and dyehouses for this first time this year. We have not yet extended assessments to all of our top 20 non-merchandise suppliers.

17.15 Confidential helpline

STATUS: ACHIEVED

Aim Trialling a confidential worker complaints mechanism for workers in 2007/08.

Progress See our 2010 HWDB Report for more details.

17.16 Small local suppliers

STATUS: ACHIEVED

Aim Increasing our use of small and small local suppliers by improving the understanding of our buying teams of the different needs of small producers by 2012.

Progress See our 2010 HWDB Report for more details.

17.17 Buying Pledge

STATUS: ACHIEVED

Aim Extending our Milk Buying Pledge, that offers a guaranteed set price, to other types of food in consultation with our farmers by 2012.

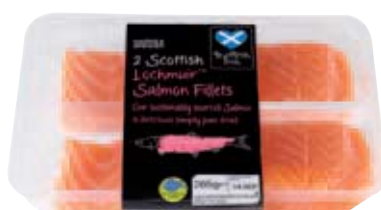
Progress In April 2010 we launched Milk Pledge Plus, which now rewards dairy farmers who meet high standards in animal health & welfare and farm processes. We've also extended buying pledge price premiums to speciality Brecknock and Swaledale lamb and UK pork. We'll continue to look for further opportunities to extend the Buying Pledge approach in 2011.

17.18 Double regional food sourcing

STATUS: ACHIEVED

Aim Doubling the amount of food we source regionally and improve the information we provide to customers by 2012.

Progress In key categories where regional alternatives are available the number of lines has doubled. For example, the number of regional fish products we offer has doubled with the addition of Scottish salmon and haddock products as well as South coast John Dory and Dover Sole. Regional poultry lines have more than tripled with the addition of Irish and Welsh turkey lines as well as other British products. We've also introduced 20 regional flower and plant lines along with 40 beers and wines.



17.19 Fairtrade food**

STATUS: ACHIEVED

Aim Continuing to expand our ranges of Fairtrade food including converting all our jams, preserves, and bagged sugar to Fairtrade and offering more Fairtrade fruit, wine and other products by 2012.

Progress In 2010/11 our sales were up over 60% on 2006/07. We introduced Fairtrade green beans from Kenya, wines from Chile and an extended range of cut-flowers including lilies.



17.20 Fairtrade clothing**

STATUS: BEHIND PLAN

Aim Converting 20 million clothing garments including £5 plain t-shirts, women's strappy vests and Oxford shirts to Fairtrade cotton – equal to 10% of all M&S cotton use by 2012.

Progress M&S was the world's largest retailer of Fairtrade certified cotton clothing in 2010. Despite this, we haven't made as much progress as anticipated, due to difficulties in incorporating Fairtrade fabrics into our buying process. During 2010/11 we sold 4.9 million garments of Fairtrade certified cotton clothing equivalent to around 1,952 tonnes or nearly 3% of all the cotton we used (2006/07: less than 1%).

17.21 Supplier Exchange – communities

STATUS: ACHIEVED

Aim Working with our suppliers via our Supplier Exchange to help them invest to improve livelihoods in vulnerable communities by 2012.

Progress See our 2010 HWDB Report for more details.

Health and wellbeing

** Assurance on statements and claims is provided by Ernst & Young (see page 48 for details).

Objective 18 Drive health and nutrition benefits across our product offer



18.1 M&S food nutritional content**

STATUS: ON PLAN

Aim Review and improve the nutritional content of M&S food.

Progress In March 2011, we were one of the signatories to the UK Government's Public Health Responsibility Deal under which we're supporting progress on 16 areas reflecting our Plan A commitments. We meet 2010 Food Standards Agency (FSA) Salt reduction targets on all but five product lines. We've also committed to 2012 targets which in many cases will require industry wide technical solutions although we have already met these targets on key categories including plain bread, sandwiches and pasta sauces.

18.2 Saturated fat in dairy products**

STATUS: ON PLAN

Aim Work in partnership with others to reduce levels of saturated fat in dairy products.

Progress We're working on a project with our dairy farmers to investigate whether we can reduce levels of saturated fat in dairy products. Initial results should be available in 2011/12.

18.3 30% healthier food

STATUS: ACHIEVED

Aim We aim to maintain our position of offering at least 30% healthier food lines by 2012.

Progress See our 2010 HWDB Report for more details.

18.4 Natural colours

STATUS: ACHIEVED

Aim Using only natural colours in our children's sweets and cakes by the start of 2008.

Progress See our 2010 HWDB Report for more details.

18.5 Reduce salt

STATUS: ACHIEVED

Aim Making further reductions to the amount of salt in our foods by working to M&S targets many of which go beyond those set by the Food Standards Agency (FSA) by 2012.

Progress See our 2010 HWDB Report for more details.



18.6 Lochmuir salmon

STATUS: ACHIEVED

Aim Ensuring all our fresh salmon meets our new 'Lochmuir' standards (enriched with omega-3) during 2007/08.

Progress See our 2010 HWDB Report for more details.

18.7 Food with health benefits

STATUS: ACHIEVED

Aim Launching food products that provide customers with specific health benefits by 2012.

Progress Although this commitment has already been achieved, we've continued to make progress in this area. In 2010/11 we launched Simply More, a range of everyday essentials enriched with beneficial ingredients such as omega 3 and vitamin D nutrients that people can often struggle to get from a typical diet. Products include bread, yogurts, milk and eggs.

18.8 Nutritionally enriched food

STATUS: ACHIEVED

Aim Developing nutritionally enriched product choices within selected ranges by 2012.

Progress See our 2010 HWDB Report for more details.

Objective 19 Help to facilitate behaviour change through clear nutritional labelling and information



19.1 Nutritional labelling**

STATUS: ON PLAN

Aim Continue to improve nutritional labelling by making it easier for customers and employees to manage their diet and extend it to include products without packaging and in-store customer/employee cafés.

Progress We've introduced calorie labelling in all our store cafés and head office facilities for employees. In 2011/12 we plan to extend this to our other in-store catering formats such as Hot Food to Go as well as store employee dining facilities.

19.2 Integrate sustainability labelling

STATUS: ON PLAN

Aim Integrate healthy eating advice with social and environmental sustainability messages.

Progress We believe that social and environmental sustainability has to underpin a healthy diet. That's why Plan A contains social and environmental targets on food that we all should be eating more of, like fish, vegetables and fruit.

We are continuing to develop our understanding in this area and explore how to engage with consumers.

19.3 On pack portion advice**

STATUS: ON PLAN

Aim Work in partnership with others to improve on-pack portion advice.

Progress In January 2011, we launched a range of portion controlled snacks and treats. These products are all less than 150 calories and include both healthier and indulgent products. They can be used as part of a managed diet including our own Count on Us and Simply Fuller Longer diet plans (available online) or simply as a healthier treats.



Objective 19 Help to facilitate behaviour change through clear nutritional labelling and information [continued]



19.4 Alcohol

STATUS: ON PLAN

Aim Provide information to help customers manage their consumption of alcohol.

Progress We label alcohol in line with the Government's Public Health Responsibility Deal. We operate a THINK 25! policy in stores to prevent underage drinking and also provide additional advice on responsible dining on our health website at:

marksandspencer.com/health



19.5 Nutritional traffic light labels

STATUS: ACHIEVED

Aim Introducing the use of nutritional 'traffic lights' to relevant food products by 2012.

Progress See our 2010 HWDB Report for more details.

SERVES 1 - HALF PACK PROVIDES				
CALS 000	SUGAR 0.0g	FAT 0.0g	SAT FAT 0.0g	SALT 0.00g
00%	0%	00%	00%	00%
OF YOUR GUIDELINE DAILY AMOUNT				

Objective 20 Encourage our customers and employees to become more active



20.1 Online diet website

STATUS: ACHIEVED

Aim Launch online tools to help consumers manage their diet by 2012.

Progress In 2010/11 we completely revamped the content of our dedicated health and nutritional website to provide a range of online aids to help improve diet or reduce weight. This is updated regularly, for more information see:

marksandspencer.com/health



20.2 Launch get active campaign

STATUS: ON PLAN

Aim Launch a major get active campaign by 2011.

Progress In 2010, working with a partner, we launched a trial campaign in the Anglia TV region to incentivise our customers to participate in a sporting activity. Whilst the campaign had a good rate of response we concluded that it would be difficult to extend across the country. Instead, we are developing another get active campaign which we plan to launch in 2011.

20.3 Children's sweets at till points**

STATUS: ON PLAN

Aim Removing children's sweets from till points by 2012.

Progress We are planning to implement this commitment by April 2012.

20.4 Healthy Eating Advisers

STATUS: ACHIEVED

Aim Introducing 1,500 Healthy Eating Advisers in our stores and extend this training to our food section employees by the start of 2010.

Progress See our 2010 HWDB Report for more details.

20.5 Calendar of health campaigns

STATUS: ACHIEVED

Aim Launching a calendar of health campaigns to support our healthier choice food products by 2012.

Progress See our 2010 HWDB Report for more details.

20.6 Customer health information

STATUS: ACHIEVED

Aim Evaluating the most effective means of providing expert diet and health information to customers including; trialling in-store nutritionists and the provision of a nutrition customer care line by 2012.

Progress See our 2010 HWDB Report for more details.

How We Do Business

We do business in line with our values – Quality, Value, Service, Innovation and Trust – and recognise our responsibilities to customers, employees, partners, suppliers, communities and the environment.

Managing How We Do Business

For the last four years a single How We Do Business Committee, chaired by the Chief Executive has met once a month to discuss both operational and strategic issues. The Chief Executive updated the full Board at least once a year.

During 2010/11, we have introduced a new approach. Our How We Do Business Operating Committee still meets monthly but in addition a new Executive Committee meets every two months. The How We Do Business Executive Committee is Chaired by Chief Executive Marc Bolland and includes all Executive Directors. It provides leadership and alignment with our wider business strategy. Plan A objectives form part of personal performance targets for all Executive Directors.

The monthly Operating Committee ensures that social, environmental and ethical issues are integrated consistently into every day activities. The Operating Committee regularly reviews progress against our Plan A commitments and considers the development of measurements and management of risk.

We believe that this structure will allow us to further integrate Plan A into business strategy whilst maintaining an effective day-to-day focus.

The work of both committees is supported by Richard Gillies, Director of Plan A, Corporate Social Responsibility (CSR) and Sustainable Business with a small team of social, environmental and ethical specialists. This team focuses on the development of policies and solutions, stakeholder relationships and reporting.

A new governance structure



The How We Do Business Executive Committee meets every two months to review strategy and provide leadership. The How We Do Business Operating Committee meets monthly to review progress and risks.

The Plan A Innovation Fund Board also meets monthly to oversee an annual budget of £10 million to support Plan A related innovations.

How We Do Business Operating Committee as of May 2011

Richard Gillies Director of Plan A, CSR and Sustainable Business

Tanith Dodge Director of Human Resources

Dominic Fry Director of Communications

Steve Rowe Director of Retail

Clem Constantine Director of Property and Store Development

Nikki Bull Head of Finance, Group Planning and Analysis

Lucy Calver Head of Plan A and Food Marketing

Krishan Hundal Head of Sourcing and Technology, General Merchandise

Paul Willgoss Head of Technology, Food Division

Mike Barry Head of Sustainable Business

Heather MacRae Corporate Governance

Adam Elman Head of Delivery – Plan A (and Secretary)

PlanA DOING THE RIGHT THING

Integrating Plan A

The Director of Plan A, CSR and Sustainable Business oversees the implementation, budget management and co-ordination of Plan A. Our Food, General Merchandise, Retail, Finance, Construction, Logistics, International and HR functions have embedded Plan A managers. Plan A Champions co-ordinate action across our stores and offices.

Managing risks

The Board completes a Group Risk Profile every six months. Key social, environmental and ethical risks such as climate change are assessed separately but are generally considered to be 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 detailed in our 2011 Annual Report.

Certified international social, environmental and ethical standards

In line with most other major retailers, we use internally developed systems to manage social and environmental issues in a fast-moving industry. This includes how we manage training, health and safety, environmental performance and quality.

We revise our Code of Ethics regularly and require senior managers to formally accept them every year. Any breaches are reported to the Audit Committee.

How We Do Business Executive Committee as of May 2011



Marc Bolland
Chief Executive Officer



Steven Sharp
Executive Director,
Marketing



Alan Stewart
Chief Finance Officer



Kate Bostock
Executive Director, General
Merchandise



John Dixon
Executive Director, Food
Merchandise



Dominic Fry
Director of
Communications



Richard Gillies
Director of Plan A,
CSR and Sustainable
Business



Krishan Hundal
Head of Sourcing and
Technology, General
Merchandise



Paul Willgoss
Head of Technology,
Food Division



Mike Barry
Head of Sustainable
Business



Adam Elman
Head of Delivery, Plan A
(and Secretary)

About this report

This is our eighth annual report covering social, environmental and ethical performance. Published in June 2011, it covers our financial year from April 2010 to March 2011.

Audience

Many different stakeholders take an interest in our social, environmental and ethical performance. Some need technical data, others more general information. To make sure our report serves the needs of a varied audience, we've tried to provide a balance of detailed data and more accessible information. The report has been written primarily for external stakeholders. We will also share key elements of the information it contains with employees and customers. More information on all commitments can be seen at: marksandspencer.com/plana

Report structure

The How We Do Business Report 2011 follows the structure of our 2010 Report allowing direct comparison with previous years. The first section contains senior management commentaries on our progress and challenges, the second part provides a systematic update against our 180 Plan A commitments, under the headings: Involving our customers in Plan A; Making Plan A how we do business; Climate change; Waste; Natural resources; Fair partner; and Health and wellbeing. The report also explains how we manage social, environmental and ethical matters through our How We Do Business Committees. Independent review in the form of commentary, assurance and recognition is at the end of the report.

Scope

This report focuses primarily on our UK and Republic of Ireland business, which accounted for around 95% of our turnover in 2010/11. The product data it contains relates to our stores in the UK, Republic of Ireland as well as Marks & Spencer products sold overseas. It excludes sales of branded foods in selected stores. The report does not contain operational information relating to M&S Money (operated by HSBC) and UK M&S Simply Food Stores operated under franchise. Social, environmental and ethical data for M&S Money is included in HSBC's sustainability reporting.

Key impacts

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. The 180 commitments contained in Plan A were developed with the help of stakeholders in order to address our key social and environmental challenges. Page 47 provides an overview of feedback received from stakeholders as part of our independent assurance process in 2010. Further information on our policies on social, environmental and ethical issues can be found within the How We Do Business section of our corporate website at: marksandspencer.com/thecompany

Data

The relevance of data and measurements included in this report has been reviewed at least twice over the reporting year by M&S management. There were no significant structural changes to our business during 2010/11. Most of the data and statements in this report relates to the financial years 2006/07 (the baseline year prior to Plan A) and 2010/11. Where target completion years are stated as 2012 or 2015 these are generally taken as meaning by 31 March in that year. However, targets for years other than 2012 and 2015 are taken to mean by 31 December. To ensure consistency we have included some calendar year data which has already been published, for example, in our annual Ethical Trading Initiative report. This data is marked with an asterisk*. Where we refer to significant events which occurred after the end of the 2010/11 financial year, we have quoted a date. 2009 data for commitment 17.13 has been re-stated due to an error in calculation last year.

Report technical standards

We have used our Plan A commitments published in 2007 and 2010 as the structure of this report. However, to provide a common point of reference we have also used the Global Reporting Initiative third generation framework, G3.1, as a checklist. GRI G3.1 references can be found on page 50, with some additional GRI information on governance, financial performance and employment data published in our 2011 Annual Report.

The report also meets retail industry requirements set out in the DEFRA environmental reporting guidelines for UK businesses and conversion factors used to measure CO₂ follow DEFRA/DECC guidance published in October 2010.

Legal compliance

We had no environmental prosecutions or work related fatalities in our business in 2010/11.

M&S Annual Reports

Our 2011 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, large font and sound versions at: marksandspencer.com/thecompany

How we decide what to include

Report content and assurance

This report provides a progress update against the 100 Plan A commitments we first published in 2007 along with the 80 additional commitments published in 2010. All 180 commitments resulted from consultation with stakeholders and represent what we believe to be a comprehensive view of the social, environmental and ethical issues facing the retail industry. Performance on all commitments has been assured, some independently by Ernst & Young and others by the M&S Internal Audit team.

To provide context and prioritisation, every commitment was ranked by M&S management for 'importance to stakeholders' and 'importance to M&S' on a 3 x 3 matrix. The positions on the matrix were then verified and amended where necessary according to stakeholder feedback gathered as part

of the report assurance process in 2010, 2009 and 2008. Around fifty commitments were rated as being of 'high importance to stakeholders' and either 'high or medium importance to M&S' (see below). Ernst & Young have been commissioned to provide independent assurance using both AA1000 AS and ISAE 3000 standards on these issues and are denoted by ** in the Performance section of this report. See assurance statement on page 48. All other commitments were subject to review and assurance provided by Marks & Spencer Internal Audit and the Plan A team.

Materiality – which commitments are most important?



Commentary

from Jonathon Porritt



“So no let up ahead! Plan A (in its original version) is now in its fifth and final year – a hugely significant milestone.”

Jonathon Porritt
Founder Director, Forum for the Future

Advisory board on becoming the world's most sustainable major retailer

In 2010, we set the target to become the world's most sustainable major retailer. To help us define exactly what this means, what we need to do and how we can measure it, we have assembled an advisory board co-chaired by our CEO Marc Bolland and Jonathon Porritt Founder Director of Forum for the Future.

David Nussbaum CEO WWF UK

David McCullough
Trading Director Oxfam GB

Martha Lane Fox
M&S Non-Executive Director

Aron Cramer President and CEO BSR

Danny Trueell CIO Wellcome Trust

Ritu Kumar CEO TERI-Europe

Rebecca Henderson Prof of Env Management, Harvard Bus School

Peggy Liu Chair of Joint US-China Collaboration on Clean Energy

Gavin Neath SVP Communications and Sustainability, Unilever

We believe that this board will be instrumental in shaping our long-term sustainability activities beyond 2015.

So here's a bit of totally unsurprising news: concern about the environment amongst UK consumers has declined over the last couple of years. Just as it always does when worries about jobs, mortgages, debt and 'economic security' in general dominate both the media and the discussions we're all having in our homes and down in the proverbial Dog and Duck.

But if you dig a bit deeper into the survey data, a rather different picture emerges. It's not that citizens stop caring about the environment – it's just that they care more (understandably) about these other issues. Which is why companies like M&S know only too well that relative shifts in 'consumer concern' cannot define either the pace or the depth of their respective sustainability journeys.

I have always been something of an agnostic about the whole idea of 'consumer pressure' on retailers. At the risk of political incorrectness, it is still important to point out that great swathes of people remain either ignorant of or completely indifferent to the challenges of creating wealth more sustainably. And, frankly, they will never take the lead.

Even the 'concerned minority' (who matter enormously to M&S) are not exactly queuing up outside Marc Bolland's office to demand even better performance on Plan A. "What do you mean you're only going to achieve 90 or so of your 100 Plan A commitments – what have you been doing for the last five years?!" is an opinion you're far more likely to hear inside M&S than from outraged customers outside.

Leadership in this space is therefore about internal strategy, consistency and unwavering commitment over time. Stuff happens, consumer confidence tracks the state of the economy, politicians play fast and loose with the promises they make, commodity prices go up and down – but the business case for getting better and better at that matrix of social, environmental and ethical issues that make up today's sustainability agenda remains as strong as ever.

With oil trading above \$120 a barrel, for example, why would M&S investors be anything other than delighted that M&S will have improved its energy efficiency in stores and distribution centres by around 25% over the last five years?

Discussions about leadership styles played an important part at the inaugural meeting of the high-level group that Marc Bolland has set up to advise him and his Executive Team on maintaining the impressive momentum that Plan A has built up. Encouragingly, we have been asked to focus on the relationship between M&S and its customers: how can M&S convert that 'assumed trust' that its customers have in the brand and the Company's values into 'trust experienced in practice'? The strategic relationships with Oxfam and Groundwork have already demonstrated just how much can be achieved in that regard, but there's a lot more to do.

So no let up ahead! Plan A (in its original version) is now in its fifth and final year – a hugely significant milestone. The fact that Plan A has become one of the world's best known 'sustainability brands' in its own right is great. But what matters far more is what's being delivered against all those Plan A commitments – and the real-time benefits that flow from those changes. That's the lasting Plan A story – and it remains a really good one.

Jonathon Porritt Founder Director, Forum for the Future
April 2011

Listening and taking action

To ensure that Plan A remains relevant we listen to our stakeholders. In preparation for this report we commissioned Ernst & Young to gather impartial feedback on the most important sustainability issues under our new sections 'Involve our customers in Plan A' and 'Make Plan A how we do business'.

The stakeholders were asked to comment on:

1. How responsive do you find M&S?
2. Which existing Plan A commitments are most important?
3. Whether there are any omissions?
4. If so, how important are the omitted issues compared to existing Plan A commitments?

The table below shows what we've understood from this feedback and what we've done about it.

We asked...	What they told us about Plan A	So this is what we did...
On Plan A generally: Business in the Community Forum for the Future Chair of the M&S Business Involvement Group Consumer Focus Accountability Julia Hailes	<ul style="list-style-type: none"> – M&S is very responsive to issues raised but does not always change the way it operates. – Plan A identifies the right issues but in some cases commitments need refining. – It is not always clear which commitments are considered to be most important. 	<ul style="list-style-type: none"> – We've adopted AA1000As for our assurance to test and improve our stakeholder engagement. – We'll continue to develop commitments. – The most important commitments are independently assured. We have included a more detailed explanation on page 45.
Involve our customers in Plan A: Business in the Community Forum for the Future Consumer Focus Julia Hailes	<ul style="list-style-type: none"> – My Plan A as a means of engaging customers is the most important commitment. – Would like to see further mainstreaming of sustainability in promoting products. 	<ul style="list-style-type: none"> – This commitment has been independently assured. – We'll continue to develop our approach based on Plan A qualities.
Make Plan A How We Do Business: Business in the Community Chair of the M&S Business Involvement Group Accountability	<ul style="list-style-type: none"> – Paid time for volunteering, training on responsible buying, free energy monitors and home insulation were considered to be the most important commitments. – Extended diversity measures are also important. – Stakeholders would like to know more about how M&S engage employees on sustainability and health and wellbeing. 	<ul style="list-style-type: none"> – These commitments have been independently assured. – We've included a new measurement to show the % of women in senior management. – We will provide further updates on these commitments which have already been achieved.

Your views

We want to know what you think about this report. Please email your comments to: PlanA@marks-and-spencer.com

Alternatively, write to us at: Marks and Spencer Group plc, Plan A Department, Waterside House, 35 North Wharf Road, London W2 1NW. Further information and our previous HWDB and CSR Reports are available from our website at: marksandspencer.com/thecompany

Independent assurance statement

To the management of Marks and Spencer Group plc

We have been asked to review Marks & Spencer's '2011 How We Do Business Report' (the report) in accordance with the scope of work described below. Marks & Spencer management has prepared the report and is responsible for the collection and presentation of information within it.

Our responsibility, in accordance with management's instructions, is to carry out the following assurance activities:

Provide a 'limited level' assurance opinion on the report's content with respect to the AA1000AS (2008) assurance principles of Inclusivity, Materiality and Responsiveness.

Provide a 'limited level' assurance opinion on the completeness and accuracy of the claims and performance data presented in the report regarding 54 Plan A commitments (listed below and denoted by ** in the report).

Included in the review are the following commitments:

1.1 Develop Plan A product attributes, 1.2 Number of products with Plan A attributes, 1.3 Identifying Plan A products, 2.3 Marks & Start, 3.1 My Plan A, 4.1 Free energy monitors, 4.2 Free home insulation, 4.3 Paid volunteering, 4.4 Customer Assistant training, 4.5 Employee feedback on communications, 4.6 Employee feedback engagement, 4.9 All store reporting of H&S incidents, 4.11 Responsible buying, 5.1 Business case, 5.3 Directors' remuneration, 7.2 Field-to-Fork/TRAK, 7.3 Food Supplier Plan A benchmarking, 7.5 Sustainable farming, 7.6 General Merchandise traceability, 9.2 Efficient packaging, 10.4 Carbon neutral, 10.5 Store, office and warehouse energy, 10.6 Delivery efficiency, 10.9 Green electricity, 10.13 EURO IV & V, 10.15 Refrigeration, 12.2 Recycle 20 million garments, 12.6 Packaging reduction, 12.7 Sustainable packaging materials, 12.13 Reducing carrier bags, 13.1 Reducing M&S waste by 25%, 13.2 Waste footprint, 13.5 Zero waste to landfill, 13.7 Food waste to recycling, 13.8 Zero landfill construction, 15.2 Reducing M&S water usage, 16.1 Water efficiency with food suppliers,

16.2 Sustainable farmed fish, 16.8 Recycled carrier bags, 16.10 Pesticide phase-out, 16.11 Pesticide residue-free food, 16.16 Deforestation, 16.17 Sustainable wood, 16.18 Sustainable sea fish, 16.25 Supplier water efficiency, 17.1 Living wage, 17.13 Helping suppliers address ethical issues, 17.19 Fairtrade food, 17.20 Fairtrade clothing, 18.1 Improve nutritional food content, 18.2 Reducing fat in dairy, 19.1 Nutritional labelling, 19.3 Portion advice, 20.3 Children's sweets at tills.

Our responsibility in performing our assurance activities is to the management of Marks & Spencer only and in accordance with the terms of reference agreed with them. 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 did we do 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:

Reviewed Marks & Spencer's approach to stakeholder engagement through interviews

with stakeholders (see point below), interviews with employees at Group level and reviewing selected associated documentation.

Interviewed a selection of external stakeholders with interest in Customers and How We Do Business.

These stakeholders, appointed by Marks & Spencer, included Julia Hailes and representatives from Forum for the Future, Business in the Community, Consumer Focus, Accountability and Marks & Spencer's Business Involvement Group (BIG).

Reviewed a selection of internal documents, external media reports and conducted a high-level benchmarking exercise

of the material issues and areas of performance covered in the Corporate Responsibility reports of Marks & Spencer's peers, to test the coverage of topics within the report.

Reviewed Marks & Spencer's processes for determining material issues for Plan A to be included in the report.

This has been outlined on page 45 in the report.

Compared the 180 Plan A commitments published in this report to the previous 'How We Do Business report'.

Where there were changes we sought evidence to support the explanation for this.

For the selected 54 Plan A commitments (listed above and denoted by ** in the report) data we:

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

Reviewed and tested relevant documentation for accuracy, completeness and consistency.

Documents included reporting guidance, status reports, meeting minutes, internal spreadsheets with a sample of supporting documents and assurance reports. This documentation allows us to review consistency between progress claims and the selected commitments.

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.

What are the limitations of our work?

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.

Where it is the first year a commitment has been included within our scope, we have reviewed the current year's information and Marks & Spencer's company level records of progress on previous years.

Our assessment of materiality has focused only on the topics addressed by Marks & Spencer's Plan A.

What are our conclusions?

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

Inclusivity

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

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

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 to corporate responsibility in relation to Plan A.

Materiality

Has Marks & Spencer provided a balanced representation of material issues concerning Marks & Spencer's 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 45 of the report.

Responsiveness

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

We are not aware of any additional issues of stakeholder interest that are not currently included in the report's performance update of Plan A.

We are not aware of any matters that would lead us to conclude that Marks & Spencer has not applied the responsiveness principle.

Completeness and accuracy of Performance Information

How complete and accurate are the performance data and claims for the selected 54 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 54 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 54 Plan A commitments.

We have reviewed the performance update against the selected 54 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.

This is the first year that all of the Plan A commitments have either been incorporated within our scope of work or the progress has been reviewed by Internal Audit.

Marks & Spencer has entered into dialogue with key stakeholders on a range of subjects in 2010, including ethical trade and living wage, carbon neutrality, and employee issues to help inform its activities in this area. We reviewed how Marks & Spencer have worked with key stakeholders to address common sustainability challenges, for example water management, sustainable raw materials, healthier eating and ethical trade.

There are established stakeholder engagement practices on issues related to Plan A, however, there is limited documentation which defines the engagement processes to be adopted and the records to be maintained.

This would help ensure consistency where there is a change in personnel, facilitate the sharing of learnings and allow others in the business to use the information.

The extension to Plan A has incorporated many of the issues raised in previous stakeholder engagement, demonstrating Marks & Spencer's responsiveness to stakeholder concerns. Examples include farmed fish, saturated fats and incorporating additional food commodities such as beef, coffee and cocoa into the commitment relating to deforestation. Where stakeholders have emphasised the importance of particular commitments, our assurance scope has been extended to incorporate these.

Our independence and experience

This is the eighth year Ernst & Young LLP has provided independent assurance services in relation to Marks & Spencer's reporting on these topics. With the exception of this work we have provided no other services relating to Marks & Spencer's approach to 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. The work has been led by a Lead Sustainability Assurance Practitioner under Accountability's registration scheme.

Ernst & Young LLP

London
May 2011

1. ISAE3000 – 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.

GRI G3.1 Index

	GRI references	Inclusion	Page
Vision and strategy	1.1 CEO's statement	Yes	1
	1.2 Key impacts	Yes	44
Organisation profile	2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 2.9	Yes	IFC
	2.10	Yes	IBC
Report parameters	3.1, 3.2, 3.3, 3.5, 3.6, 3.7, 3.8, 3.9, 3.10, 3.11, 3.13	Yes	44–45
	3.4	Yes	47
	3.12	Yes	50
Governance	4.1, 4.2, 4.3, 4.4, 4.5, 4.8, 4.9, 4.13, 4.14, 4.16, 4.17	Yes	42–43
	4.6, 4.7, 4.10, 4.11, 4.12, 4.15	No	
Economic performance indicators	EC1	Yes	AR
	EC2, EC6	Yes	39
	EC3, EC4, EC5, EC7, EC8, EC9	No	
Environmental performance indicators	EN1, EN2, EN27	Partial	31
	EN3, EN4, EN5, EN6, EN7, EN18, EN29	Yes	28–29
	EN6	Yes	27
	EN8	Yes	34
	EN16, EN17,	Yes	28–29
	EN22	Yes	32
	EN14, EN 26	Yes	35–37
	EN28	Yes	44
	EN9, EN10, EN11, EN12, EN13, EN15, EN19, EN20, EN21, EN23, EN24, EN25, EN30	No	
Labour practices and decent work performance indicators	LA1, LA2, LA7, LA11	Partial	22
	LA3, LA4, LA5, LA6, LA8, LA9, LA10, LA12, LA13, LA14, LA15	No	
Human rights performance indicators	HR2	Yes	38
	HR1, HR3, HR4, HR5, HR6, HR7, HR8, HR9, HR10, HR11	No	
Society performance indicators	SO1, SO3, SO5	Partial	43, 47
	SO6	Yes	AR
	SO2, SO4, SO7, SO8, SO9, SO10	No	
Product responsibility performance indicators	PR5	Yes	AR
	PR1, PR2, PR3, PR4, PR6, PR7, PR8, PR9	No	

IFC: Inside Front Cover

AR: Annual Report

SEE: Social, environmental and ethical

Independent recognition

Since we launched Plan A in 2007 our performance on social, environmental and ethical issues has been assessed by a wide range of independent organisations. The awards and league tables summarised on this page are a reflection of how we've been compared to other retailers and companies.

2007

World Environment Centre for Sustainable Business

Winner of Gold Medal

World Retail Awards

Winner for CSR (for 2008)

Business in the Community Excellence Awards

Community and cause-related marketing

Compassion in World Farming

Winner of Compassionate

Supermarket 2007/08

Retail Week Awards

Winner for CSR

Cooling Industry Awards

Retail Installation of the Year Award

National Consumer Council Greening Supermarkets

Joint first place

Greenpeace 'Green Tissue' table

Joint first place



Marine Conservation Society responsible fishing table

Joint first place

RSPCA Good Business Awards

Winner for large Fashion retailer and runner-up on Food and Cosmetics



Carbon Trust/Daily Telegraph Climate Change Innovation Awards

Large company winner

Times Graduate Employer of Choice

Retail industry

2008

Business in the Community

CommunityMark

Business in the Community Excellence Awards

Community, cause-related marketing and climate change



Ethisphere World's Most Ethical Companies

Top 100

Dow Jones Sustainability Index

Retail sector leader



Cooling Industry Awards

Environmental Pioneer Award for Air Conditioning

Building Trust in Britain Awards

Winner for Sustainability Reporting

RSPCA Good Business Awards

Winner for large Fashion and Food retailer and Commitment to Change on Cosmetics

Renewable Energy Association

Pioneer Award Winner

Global Retail & Leisure International Awards

Green Store of the Year

Chartered Institute of Purchasing and Supply procurement Awards

Winner for CSR

Times Graduate Employer of Choice

Retail industry



UK Packaging Awards

2008 retail client for our measured approach to environmental packaging (as voted by packaging suppliers)

2009

Environmental Investigation Agency's Supermarket refrigeration table

Winner



Cosmopolitan Magazine Awards

Winner of Most Ethical retailer

Carbon Trust standard

Certification

Pesticide Action Network UK supermarket pesticide league table

Winner

Ethisphere World's Most Ethical Companies

Top 100

Consumer Focus 'Green to the Core' supermarket league table

Joint Winner

Greener Package Awards

Retail Leadership Award

RSPCA Good Business Awards

Fashion Commitment Award

Letsrecycle.com Awards

High Street Recycling Champion 2009

International Wine Challenge Awards

Environmental Initiative of the year

ENDS Carbon

2009 Brand Emissions Leader



Independent recognition

continued

2010

Business in the Community Corporate Responsibility Index

Platinum performer 2010

Forest Footprint Disclosure Project

Best General Retail Sector Performer 2010



The Independent Green Awards

2010 Best Supermarket

Green Business Awards Green Globes

2010 Green Business of the Year

Green Business Awards Green Globes

2010 Carbon Emissions Ambition Award



RSPCA Good Business Awards

2010 Fashion special recognition for outstanding achievement Award

Ipsos MORI 2010 CR Experts survey

'Top of mind' leaders on responsibility

Ipsos MORI 2010 CR Experts survey

Leaders in reporting impacts on society and the environment



Ipsos MORI

C&E Corporate-NGO partnership barometer

2010 Most Admired Partnering Company

C&E Corporate-NGO partnership barometer

2010 Most Admired Corporate Partnership (M&S and Oxfam)

Edie.net Awards for Environmental Excellence

2010 Waste and Recycling Project Winner (for operational waste)

Edie.net Awards for Environmental Excellence

2010 Green Retail Winner (for clothing hanger re-use)

European Supply Chain Excellence Awards

2010 Environmental Improvement (in partnership with DHL)

ICSA Hermes Transparency in Governance Awards

2010 Best sustainability and stakeholder disclosure

e-learning Awards

2010 Excellence in the production of content (in partnership with Kineo)

Annual Energy Institute Awards

2010 Energy Communication

Annual Energy Institute Awards

2010 Energy Excellence



Personnel Today Awards

2010 Corporate Social Responsibility (Marks & Start)

2011

Business in the Community Corporate Responsibility Index

Platinum Plus performer 2011

Forest Footprint Disclosure Project

Best General Retail Sector Performer 2011



Greenpeace (sustainable) Tuna League Table

2011 Joint best retailer

FT ArcelorMittal Boldness in Business

2011 Corporate Responsibility

The Times

2011 Top 50 Employers for Women



Fast Company

2011 The World's 50 Most Innovative Companies (for Plan A)

Fish2fork and Zoological Society of London

2011 Bluefish Award for sustainable sourcing

Sunday Times Best Green Companies

2011 60 Best Green Companies



The Guardian Sustainable Business Awards

2011 Employee Engagement Award

The Marketing Week Engage Awards

2011 Retail Award (for Plan A)

Four years of Plan A

Plan A is M&S's sustainability plan, first launched in 2007, setting out 100 commitments on the most important social, environmental and ethical challenges facing our business. These commitments featured under five pillars of Climate change, Waste, Natural resources, Fair partner and Health and wellbeing.

In 2010, following three years of steady progress and further consultation with our stakeholders we added a further 80 commitments and two pillars of Involve our customers in Plan A and Make Plan A how we do business.

This 2010/11 Report covers the fourth year of progress.

PlanA DOING THE
RIGHT THING



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