



—

**Plan A
because
there is no
Plan B**

—

M&S

EST. 1884

**PLAN A REPORT
2017**



OVERVIEW & TEN YEARS OF PLAN A

IN JANUARY 2007, M&S LAUNCHED PLAN A: A FIVE-YEAR, 100-COMMITMENT, SUSTAINABLE BUSINESS PROGRAMME. PLAN A WAS DESIGNED TO ADDRESS THE KEY ENVIRONMENTAL, SOCIAL AND ETHICAL CHALLENGES FACING M&S.

Ten years on, Plan A has evolved to create value for our customers, colleagues, shareholders, suppliers and the wider communities in which we operate.



NEW PLAN A

marksandspencer.com/plana
planareport.marksandspencer.com

GROUP PERFORMANCE

GROUP REVENUE

£10.6bn +2.2%

GROUP PROFIT BEFORE TAX AND ADJUSTED ITEMS

£613.8m -10.3%

GROUP PROFIT BEFORE TAX

£176.4m -63.5%

EMPLOYEES WORLDWIDE

85,000

81%
ENGAGEMENT
SCORE

NUMBER OF SUPPLIERS GLOBALLY

2,100

CO₂e EMISSIONS NET

0 TONNES

CO₂e GROSS TONNES

526,000

PER 1,000 SQ FT

26
TONNES -10%

WHAT'S IN THIS REPORT?

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⊕ Read about our approach to managing Human Rights in our dedicated report, available at marksandspencer.com/plana

OVERVIEW & TEN YEARS OF PLAN A: CHIEF EXECUTIVE'S INTRODUCTION

CELEBRATING THE FIRST TEN YEARS

To build a truly sustainable M&S we have to listen to our customers and ensure that they are engaged fully in Plan A.

STEVE ROWE CHIEF EXECUTIVE OFFICER



[+ See my full strategic update in our 2017 Annual Report](#)

It's ten years since Lord Rose, our Chief Executive and later Executive Chairman, had the foresight and courage to launch Plan A, but it seems like only yesterday. Plan A has made us a better business. It's moved us closer (but not yet close enough!) to our customers and colleagues, made us leaner and more resilient, and of course, motivated our current colleagues to uphold the achievements of all those people who have built Marks & Spencer over the past 133 years.

In my introduction to last year's Plan A Report, I expressed pride in our many technical achievements, but also stated our determination to engage our customers with what we're doing. This year, we've worked hard to develop the next stage of our Plan A journey, putting customers front and centre of everything we do. Only by doing this will we build a truly sustainable M&S. We know that our customers' priorities are wellbeing, improving their communities and preventing waste, so we are making these our priorities too.

Setting 2025 targets, we're making commitments to help at least 10 million of our customers live happier and healthier lives, to ensure all of our stores help to transform communities for the better, and to care for the planet we share.

If we achieve these goals in the next eight years, we will play a significant part in tackling some of the great challenges facing society. At the same time, we will also accelerate all the other work we do through Plan A – addressing climate change, supporting human rights, preventing deforestation, introducing low carbon refrigeration and much more. After I became Chief Executive in April 2016, one of my first actions was to commission a project to improve our approach to human rights. I'm pleased to say that this project has been successful and that the recent Corporate Human Rights Benchmark ranked M&S as the leading business globally for Apparel and Foods.

But let me make it clear: to help build a sustainable society, supported by a sustainable economy, we need to engage all our stakeholders, especially customers. We need to create three big, bold engagement campaigns – on wellbeing, waste and community transformation – that they can really get behind.

By complementing our strong technical Plan A 'powerhouse' with this new focus on customers, I'm determined to lead the creation of a sustainable M&S that plays a leading role globally in building a society that works for all.

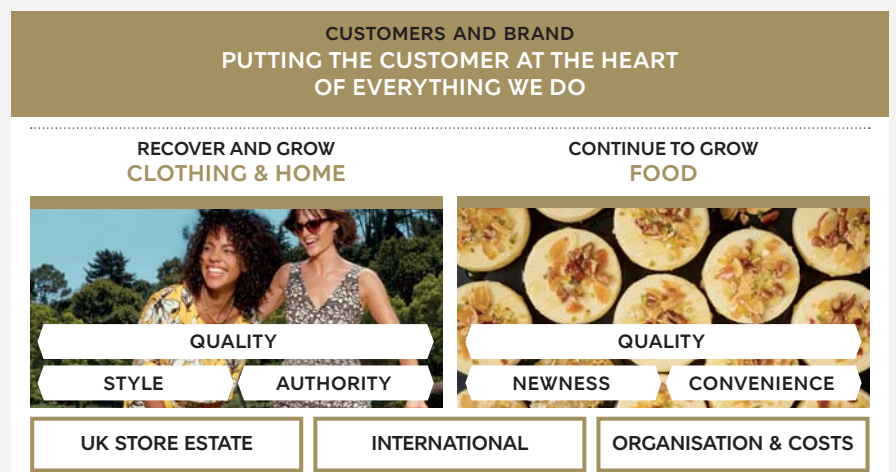
STEVE ROWE CHIEF EXECUTIVE OFFICER

PLAN A AND STRATEGY

Our new Plan A commitments are announced alongside this report.

These have been developed to transition Plan A from a largely technical set of targets into 'ways of working' across all that we do.

Across our whole strategy, including Plan A, we aim to create value for all sectors of society by focusing on the needs of our customers.



OVERVIEW & TEN YEARS OF PLAN A

THE EVOLUTION OF PLAN A

2007

PLAN A LAUNCHED

100

COMMITMENTS TO BE
ACHIEVED BY 2012

We launched Plan A in January 2007, setting ambitious targets to make our operations carbon neutral and send no waste to landfill. All M&S stores promoted Plan A in their windows and appointed Plan A Champions.



No artificial colours or flavourings

We removed all artificial colours and flavourings in M&S foods in 2008, just one year after Plan A was launched.

To celebrate our 125th anniversary, we launched a Fund Raising Challenge in 2009 that raised £2.8m for local charities.

Marks & Spencer Ltd.
CELEBRATING
125 YEARS

94

COMMITMENTS ACHIEVED
INCLUDING CARBON NEUTRAL
OPERATIONS AND SENDING
NO WASTE TO LANDFILL



We opened five Eco-stores across the UK by 2012, including our largest one to date, at Cheshire Oaks.

2010

PLAN A UPDATED

180

COMMITMENTS TO BE
ACHIEVED BY 2015

Two years after its launch in 2008, we gave M&S Clothing Exchange a makeover – restyled it as Shwopping and together with Oxfam, introduced the One Day Wardrobe Clear-out.



All M&S products to have at least one Plan A quality by 2020

We committed to give every M&S product at least one Plan A quality by 2020 – targeting 50% by 2015. These included a wide range of social and environmental qualities such as sustainably sourced raw materials and Fairtrade payments.

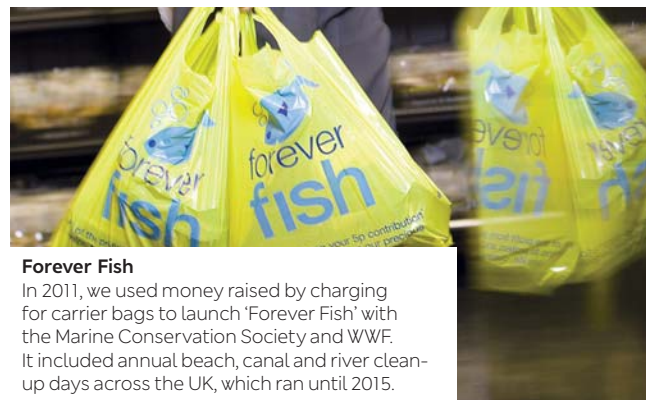
IN 2010, TO PROMOTE
ENERGY EFFICIENCY AT
HOME WE DISTRIBUTED
ENERGY MONITORS TO M&S
EMPLOYEES TOTALLING

38,000



138

COMMITMENTS ACHIEVED
AND GENERATED AN
ANNUAL BENEFIT OF
£105M FROM PLAN A



Forever Fish

In 2011, we used money raised by charging for carrier bags to launch 'Forever Fish' with the Marine Conservation Society and WWF. It included annual beach, canal and river clean-up days across the UK, which ran until 2015.

2014

PLAN A 2020 LAUNCHED

100

COMMITMENTS TO BE
ACHIEVED BY 2020

We launched **Make Your Mark** to help 5,000 unemployed young people get into work by 2016. Many of our suppliers followed suit with their own programmes and helped spark Movement to Work, a larger initiative that involved almost 200 companies.



Getting local with Neighbourly

In 2015, we teamed up with the Neighbourly social network to help our stores build better connections with local charities.

Global Community Programme

We launched an ambitious range of projects to address social and environmental issues in countries where we source products.

64

COMMITMENTS ACHIEVED BY
2017 AND MANY OF THOSE
REMAINING EVOLVE INTO
OUR LATEST TARGETS



The UK's single largest roof mounted solar array installed at our Castle Donington warehouse in 2015.

2017

NEW PLAN A LAUNCHED

We launched an updated version of **Plan A** in **June 2017** with a renewed focus on engaging our customers on wellbeing, improving lives and caring for the planet.



100

COMMITMENTS TO BE
ACHIEVED BY 2025

We believe that every life is special and deserves to be spent well

At M&S, what really matters, is that everything we do has a positive impact on our collective wellbeing, communities and the planet.

We will help 10 million people live happier, healthier lives, transform 1,000 communities and be a zero-waste business.

PLAN A 2025 OBJECTIVES

NOURISHING OUR WELLBEING

We believe that taking care of ourselves is the first step to helping the people around us.

TRANSFORMING LIVES AND COMMUNITIES

We believe we can achieve more together than we ever can on our own.

CARING FOR THE PLANET WE SHARE

We believe that we should leave the planet better than we found it.

OVERVIEW & TEN YEARS OF PLAN A

A DECADE OF DELIVERING

The positive differences we have made over the past decade are all down to our Plan A network of colleagues, partners, customers and suppliers.

ECONOMIC

PLAN A QUALITY

4/5

OF ALL M&S PRODUCTS
NOW HAVE AT LEAST ONE
PLAN A QUALITY

As of April 2017,
based on the volume of items
sold worldwide, 79% of all
M&S products now have at least
one special Plan A quality.

SPARKS CARD

More than 5.6 million customers
have an M&S Sparks Card – and 93%
of those have nominated a charity
to support, helping to raise of a total
of £2.4m for good causes since its
launch in 2015.

93%

OF M&S CUSTOMERS WITH
A SPARKS CARD HAVE
CHOSEN A CHARITY



HEALTHIER FOOD

Our Eat Well ranges have gone
from strength to strength with
healthier food now accounting
for 41% our total food sales.

41%

OF TOTAL M&S FOOD
SALES ARE HEALTHIER



NET CARBON EMISSIONS
FROM M&S OPERATIONS FOR FOUR
CONSECUTIVE YEARS

Zero

NUMBER OF CARRIER BAGS
SAVED SINCE 2008

4bn

REDUCTION IN UK AND ROI
WASTE SINCE 2008/09

28%

ENVIRONMENTAL

ENERGY EFFICIENCY

39%

IMPROVEMENT IN ENERGY
EFFICIENCY OVER TEN YEARS

We've improved our overall UK and ROI energy efficiency by 39% over the past ten years. All the electricity we procure is classified as renewable and 27% of our gas consumption has been replaced with bio-methane.

RECYCLING AND PACKAGING

We've reduced the amount of waste we produce by 28% over the past ten years and have recycled all waste since 2012 using a range of material and energy recovery techniques. We introduced a five pence carrier bag charge in 2008, helping to save over 4 billion bags. We've reduced our carrier bag usage by 80% since we launched Plan A.



INDEPENDENT ACCREDITATION

In 2014, we became the first UK retailer to achieve all three Carbon Trust Standards for Carbon, Waste and Water along with certification to the ISO 50001 energy management standard.



CARBON NEUTRAL OPERATIONS

In 2012, our UK and ROI stores, offices, warehouses and delivery fleets became carbon neutral and our worldwide operations followed suit in 2014. In 2015, we commissioned the UK's largest roof-mounted solar array at our Castle Donington warehouse and during 2016 we installed solar panels on eight M&S stores, funded by our innovative M&S Energy Society Fund.



OVERVIEW & TEN YEARS OF PLAN A: A DECADE OF DELIVERING CONTINUED

SOCIAL

COMMUNITY INVESTMENT

£200m

DONATED AND RAISED FOR
COMMUNITY PROGRAMMES

We've donated over £130m to community programmes and on top of this, helped to raise a further £70m. This has included a seven-year partnership with Macmillan Cancer Support's World's Biggest Coffee Morning.

MARKS & START AND MAKE YOUR MARK

Over the last ten years, we've helped more than 17,000 people from disadvantaged parts of the community through our Marks & Start and Make Your Mark work experience programmes – with over half of them going on to find work.

50%

HELPING PEOPLE FROM THE
DISADVANTAGED COMMUNITY
BACK TO WORK



HUMAN RIGHTS

In 2016, we signed-up to the **United Nations Global Compact** and published our first ever Report on Human Rights. And in 2017, we were ranked as the top retailer and second-best company overall, in the inaugural Corporate Human Rights Benchmark. In addition to our Plan A Report we've published a separate Human Rights update at marksandspencer.com/plana



LOCAL ENGAGEMENT

Between 2011 and 2015 we ran a series of very successful **Big Beach Clean-up days**. In 2015, we launched our Spark Something Good community volunteering events – and to date, we've inspired more than 4,000 volunteers, half of them customers, to support 240 different projects across 12 UK cities.

4,000+

VOLUNTEERS

SPARK
SOMETHING
GOOD™



WOOD USED IN M&S PRODUCTS
AND OPERATIONS FROM FORESTRY
STEWARDSHIP COUNCIL, RECYCLED
OR FROM SOURCES THAT PROTECT
FORESTS AND COMMUNITIES

99%

ALL PALM OIL USED IN M&S
PRODUCTS WAS ROUNDTABLE
FOR SUSTAINABLE PALM
OIL CERTIFIED

100%

SUPPLY CHAIN

SOURCING RAW MATERIALS

49%

OF OUR COTTON IS FROM
MORE SUSTAINABLE SOURCES

Today, 49% of our cotton, 99% of our wood materials and 27% of our leather, come from more sustainable sources. All our palm oil is RSPO certified and all of our fish comes from the most sustainable sources available.

MORE SUSTAINABLE FACTORIES

We launched our **Supplier Exchange programme in 2008** and then set targets to help our food suppliers' factories meet clearly defined 'Silver' sustainability levels. To date, 56% of M&S food is sourced from factories that have achieved this level. Also, 67% of our top 100 clothing factories have made key improvements to their energy efficiency.



56%

SILVER LEVEL
SUSTAINABILITY
PERFORMANCE

SUPPLY CHAIN TRANSPARENCY

We published an **interactive map online in 2016**, providing details of all our clothing, accessories and footwear suppliers. More recently, we've added details of our food suppliers to the map. interactivemap.marksandspencer.com



HELPING PEOPLE IN OUR SUPPLY CHAINS

In 2015, we launched our **Global Community Programme**, to help people in key regions of the world where we source M&S products. We've helped more than 130,000 people through the programme so far and in addition, provided training about employee responsibilities and rights, health care, numeracy and literacy to more than 890,000 people.

890,000

PEOPLE IN OUR SUPPLY CHAINS
HAVE BENEFITED FROM TRAINING



OVERVIEW & TEN YEARS OF PLAN A:
SUSTAINABLE BUSINESS DIRECTOR'S OVERVIEW

LOOKING FORWARD AND BACK

We've achieved and learnt so much, delivered 296 commitments and received more than 240 awards in the last ten years – but this was just a dress rehearsal for the enormous, disruptive steps that M&S and every other business will need to take in the next decade to become truly sustainable.

MIKE BARRY SUSTAINABLE BUSINESS DIRECTOR



PLAN A 2020
COMMITMENTS
ACHIEVED

64

% OF M&S PRODUCTS
WITH AT LEAST ONE
PLAN A QUALITY

79%

NUMBER OF PEOPLE HELPED BY
M&S EMPLOYABILITY SCHEMES
OVER TEN YEARS

17,000

OUR PROGRESS AGAINST OBJECTIVES

PROGRESS

64/107 commitments
Achieved

ACHIEVED

6 commitments
Not achieved

NOT
ACHIEVED

11 commitments
Behind

BEHIND
PLAN

Underpinned by global partnerships

RESPONSE

Development of Human
Rights policies and actions

Improved transparency

Launch of new Plan A commitments

VISION

Engaging our customers

Extending partnerships

Delivering new Plan A commitments

A decade of our Plan A journey has been completed. Operationally, we've de-coupled our growth from our carbon emissions, linking efficiency improvements to our use of renewable energy and then offsetting our residual emissions to speed up climate action around the world. We've also become more resource efficient, by using more sustainable raw materials, cutting waste, increasing recycling and avoiding landfill.

Across our supply chains we've trialled, tested and scaled-up innovative new approaches to factory, farm and raw material sourcing. All our food factories are systemically 'baking' sustainability into the way they operate, through a ladder of continuous social and environmental improvement, and we are in turn rewarding the best-performing factories by buying more from them. We've been at the heart of business coalitions such as the Consumer Goods Forum, to help build a globally shared approach to sourcing palm oil, timber, soy, cotton and fish more sustainably.

We've followed a bold route map to ensure that all the products we sell have a Plan A story to tell by 2020 – reassuring our customers that sustainability is accessible to all. We've been open about our disappointment in not connecting our customers more closely with the Plan A difference but believe our updated plan will rectify this.

Our stores are all in touch with their local communities: creating job opportunities

for those struggling to get into work; donating surplus food through the Neighbourly social network; fundraising and volunteering.

When we've not delivered what we set out to do, we've held our hands up publicly. That's an example of our transparent approach to Plan A. And this year is no different. You'll read in this report that we've failed to deliver six of our current Plan A commitments and are behind on 11 others. Every year brings its failures, that's the nature of a stretching plan, but this year there have been a few too many as we've gone through significant organisational change. In particular, our performance on energy efficiency, food waste and Shwopping has shown insufficient progress and we know we need to make up the ground to hit our 2020 targets.

We can draw many lessons from the first ten years of Plan A, but let's focus on just one: the primary importance of people. Ultimately, our sustainability journey is all about people: their willingness to accept that the way many of us live today – buying, travelling, investing – is unsustainable, with personal consequences if we don't change. Equally, that change is possible and that we need not be defeatist in the face of the enormous socio-economic and environmental challenges ahead. We need to show that positive change will lead to better outcomes, not just for our planet and society as a whole, but also at a personal level, for each of us – as parents, citizens, consumers, neighbours, investors and workers.



PLAN A 2025

We launched a new generation of Plan A commitments in June 2017.

Plan A has drawn together an extraordinary cast of contributors from across M&S and the stakeholder ecosystem that surrounds us. This list is far too long to share in full, so let's highlight just a few of the key roles. Firstly and unsurprisingly, the role played by successive M&S CEOs. Lord Rose, who recognised the need for change and kick-started the whole journey. Marc Bolland, who picked up the baton from Lord Rose and put us at the heart of national and global coalitions for change. And of course, our present CEO, Steve Rowe, who has been remorseless in his desire to build a plan that's both relevant at an emotional and intellectual level to all of our customers and employees, as well as transformational in building a truly sustainable M&S.

A salute too, to the small central Plan A team and the Plan A 'virtual family' embedded across our business units. These individuals have done so much to help our business take ownership of Plan A and to ensure we're held to account for our Plan A actions through our independently assured reports.

Our store teams have made Plan A 'how we work' and brought it alive for our customers. They're the 85,000 Plan A ambassadors that transform our big concepts into small, easily understandable steps that our customers can take day to day, to help build a better future.

Our Sustainable Retail Advisory Board, co-chaired by Steve Rowe and Jonathon Porritt, has also been a key part of Plan A. Challenging and supporting in equal measure, they've provided a world view and level of scrutiny that we could not have achieved alone. And if people have been important on our Plan A journey so far, so they will be indispensable in the future. As Steve Rowe writes in his introduction to this report, sustainable living and business models happen when millions, even billions, of people participate in them.

Of course, underpinning all this human endeavour, are bold targets, strong governance, independent assurance and great innovation (including the associated failures). Together, these are the pre-requisites for any successful change journey. But behind all its technical achievements, Plan A is a very human story, from shop floor to boardroom.

We've consistently acknowledged that to date, despite all its successes, Plan A has only been a dress rehearsal for the enormous, disruptive steps that M&S and every other business will need to take in the next decade to become truly sustainable and avoid becoming irrelevant. That's why we're launching an updated Plan A for 2025.

MIKE BARRY
SUSTAINABLE BUSINESS DIRECTOR

SPARKING SOMETHING GOOD

Over two years we've supported 12 cities with our Spark Something Good Community programme. Over 4,000 volunteers, half of them customers, helped out at 240 community projects.

240

COMMUNITY
PROJECTS



OVERVIEW & TEN YEARS OF PLAN A:
VALUE CREATION

HOW WE CREATE VALUE

The M&S difference is a way of doing business that creates value across all the resources and relationships on which we depend.

We create long-term value through the effective use of our resources and relationships. We manage these in line with our core values of Inspiration, Innovation, Integrity and In touch.

These values influence how we behave and they run through everything we do – they make the M&S difference: **making every moment special** through the products and services we offer our customers in the UK and internationally.

RESOURCES & RELATIONSHIPS ALIGNED WITH OUR COMMITMENTS

£ FINANCIAL

Generating returns for our stakeholders through effective management of financial resources

- Products with Plan A qualities
- Plan A marketing
- Zero waste and efficiency

🔄 PRODUCTS & CHANNELS

Maintaining our channels and supply chain infrastructure to meet customer demand

- Sustainable food suppliers
- Energy efficient clothing suppliers

💡 INTELLECTUAL CAPITAL

Strengthening our brand through creation and protection of our intellectual property

- Plan A activities
- Eat Well healthy food

👤 PEOPLE

Developing our employees and their knowledge

- Inclusion and diversity
- Training and development
- Community involvement

👥 STAKEHOLDERS

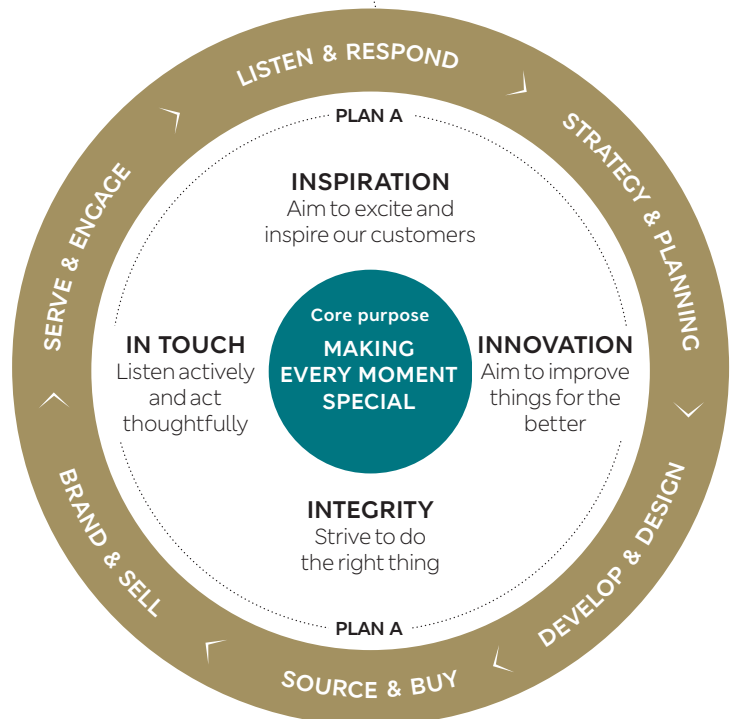
Building and nurturing relationships with our customers and suppliers, and in the communities in which we operate

- Sustainable Retail Advisory Board
- Community partners and projects
- Supplier Exchange best practice programme

🌱 NATURAL RESOURCES

Sourcing responsibly and using natural resources efficiently

- Carbon neutral operations
- Zero waste
- Responsibly sourced raw materials



VALUE CREATION IN ACTION

CLOTHING & HOME

Our customers want reassurance that we're addressing a wide range of social, ethical and environmental issues and that once used, M&S products can have a second life.

WHAT WE ARE DOING

Plan A contains commitments addressing a wide range of issues including human rights, responsible sourcing of raw materials and re-using and recycling clothing.

THE DIFFERENCE WE MAKE

In 2017, we were rated as the best retailer in the inaugural Corporate Human Rights Benchmark. We've made good progress on raw materials and have collected nearly 28 million used garments for re-use and recycling since 2008.

M&S PRODUCTS WITH PLAN A QUALITY

68%

% OF RESPONSIBLY SOURCED COTTON

49%

% OF RESPONSIBLY SOURCED WOOD

99%

+ A full case study is included in our Annual Report

VALUE CREATION IN ACTION

FOOD

Our customers want reassurance that we're addressing a wide range of social, ethical and environmental issues, including health and nutrition, as well as taking action to reduce food waste.

WHAT WE ARE DOING

Plan A contains commitments addressing a wide range of food issues including human rights, responsible sourcing of raw materials, health and nutrition, and reducing food waste.

THE DIFFERENCE WE MAKE

As well as being rated as the best retailer in the inaugural Corporate Human Rights Benchmark, 56% of M&S food products are now sourced from factories that meet our Silver sustainability scorecard standard. We've also increased the amount of surplus food we donate to charities to 757 tonnes, up from 60 tonnes in 2014/15.

M&S PRODUCTS WITH PLAN A QUALITY

81%

% OF HEALTHY FOOD

41%

% OF RESPONSIBLY SOURCED PALM OIL

100%

+ A full case study is included in our Annual Report



PERFORMANCE

PERFORMANCE SUMMARY





This is a summary of our performance across all of our commitments shown as Achieved, Progressing, Behind or Not achieved.

ECONOMIC

PAGES 14–16





	NOT ACHIEVED	BEHIND	PROGRESSING	ACHIEVED
REPORTING AND TRANSPARENCY				
Integrated reporting				
Financial models				
Plan A innovation programme				
Leadership				
Transparency**				
WHAT WE SELL				
Products with Plan A qualities**				
M&S food nutritional content				
Integrate health and sustainability food labelling				
Defining Plan A products				
Clothing & Home Sustainable Learning Products**				
HOW WE SELL				
Integrated Plan A marketing**				
Plan A marketing				
Identifying Plan A products				
My Plan A				
Meet Your Producer website				
Eat Well				
Promoting healthy food**				
SUSTAINABLE DEVELOPMENT GOALS ALIGNMENT				
 				

KEY

	ACHIEVED
	PROGRESSING
	BEHIND
	NOT ACHIEVED

ENVIRONMENTAL

PAGES 17–23

	NOT ACHIEVED	BEHIND	PROGRESSING	ACHIEVED
CLIMATE CHANGE AND GREENHOUSE GAS EMISSIONS				
Carbon neutral operations**				
Logistics carbon footprinting				
Multi-channel retail footprint				
Store refrigeration – emissions**				
Store refrigeration – replacing HFCs				
ENERGY CONSUMPTION & SOURCING				
UK and ROI energy efficiency (1)				
UK and ROI energy efficiency (2)**				
International energy efficiency**				
Store refrigeration – doors**				
Renewable electricity**				
Small-scale electricity				
Bio-methane**				
TRANSPORT				
Fuel efficiency (1)				
Fuel efficiency (2)**				
Nitrogen trailer trial				
Reduce business flights				
WASTE				
No waste to landfill – operations**				
Food waste**				
Customer clothes recycling**				
Textile recovery R&D				
Circular economy opportunity				
Circular economy policy				
PACKAGING				
Environmentally efficient food packaging				
Using packaging to reduce food waste				
Packaging recycling partnerships				
Reduce Clothing & Home transit packaging (1)				
Reduce Clothing & Home transit packaging (2)				
Reduce home delivery packaging				
WATER				
Water usage**				
SUSTAINABLE BUILDINGS				
Extend construction initiatives**				
Top 50 store climate adaptation**				
Store development assessments				
Environmental leasehold clauses (1)				
Environmental leasehold clauses (2)				
International Sustainable Learning Stores				
Benefits of sustainable stores				
Building Information Modelling (BIM)				
Embodied carbon in buildings				
Off-site construction				
Number of Plan A shop fit items				
SUSTAINABLE DEVELOPMENT GOALS ALIGNMENT				
   				

ACHIEVED

64

PROGRESSING

25

BEHIND

11

NOT ACHIEVED

6

SOCIAL

PAGES 24–28

	ACHIEVED	PROGRESSING	BEHIND	NOT ACHIEVED
EMPLOYMENT AND DIVERSITY				
Employee diversity**				
Working flexibly				
EMPLOYABILITY PROGRAMMES				
Youth employment at M&S**				
Youth employment outside M&S**				
Marks & Start**				
Marks & Start International**				
TRAINING AND DEVELOPMENT				
UK and ROI retail skills				
UK and ROI retail skills for new Customer Assistants				
Succession planning				
UK and ROI Plan A skills				
International Plan A skills				
International Plan A capacity				
Responsible leadership				
HEALTH AND WELLBEING				
Wellness				
Extend access to Plan A health information				
Extend employee health services				
Nutritional labelling – employee cafés				
COMMUNITY				
Annual store fundraising				
One day's paid volunteering				
Property development community plans				
Supporting charities				
International UNICEF				
Partnership benefits				
Global Community Programme**				
Sieff Award				
SUSTAINABLE DEVELOPMENT GOALS ALIGNMENT				



SUPPLY CHAIN

PAGES 29–33

	ACHIEVED	PROGRESSING	BEHIND	NOT ACHIEVED
POLICY				
New Global Sourcing Principles**				
FOOD				
Sustainable food factories**				
M&S Farming for the Future (1)				
M&S Farming for the Future (2)**				
Food supply chain skills				
Food sustainable key commodities				
RSPB and Butterfly Conservation projects				
Zero deforestation**				
Responsibly farmed fish**				
CLOTHING & HOME				
Energy efficiency at top 100 clothing suppliers				
Leather tanning and dyeing**				
Chemicals and effluent management in dyeing**				
Zero hazardous discharges**				
Removing microbeads				
Clothing & Home living wage				
Supply chain fair wage**				
Supply chain training				
Clothing supply base list				
Sustainable cotton (1)				
Sustainable cotton (2)**				
Sustainable wood**				
Clothing & Home traceability**				
PROPERTY AND CONSTRUCTION				
No waste to landfill – construction				
Ethical assessment of property suppliers				
SUSTAINABLE DEVELOPMENT GOALS ALIGNMENT				



PERFORMANCE



ECONOMIC

Our commitments on the social and environmental impacts of the products we sell and provide transparency about. Then performance is shown as Achieved, Progressing, Behind or Not achieved.

REPORTING AND TRANSPARENCY

INTEGRATED REPORTING

ACHIEVED

AIM

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

See 2016 Plan A Report

FINANCIAL MODELS

ACHIEVED

AIM

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

See 2015 Plan A Report

PLAN A INNOVATION PROGRAMME

ACHIEVED

AIM

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

See challenges.marksandspencer.com

LEADERSHIP

ACHIEVED

AIM

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

See 2015 Plan A Report

TRANSPARENCY**

PROGRESSING

AIM

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

PROGRESS

This year, we added new content about our Food, Beauty and Home suppliers along with information about Freedom of Association to our interactive supply chain map at interactivemap.marksandspencer.com

We improved our human rights content and consequently, M&S was the best ranked retailer and second company overall in the inaugural Corporate Human Rights Benchmark, published in March 2017 and second in the Fashion Revolution Transparency Index published in April 2017. We also provided more information about animal welfare and fish sourcing. We published 24 new posts on our Plan A blog, including videos of our 2016 Plan A Stakeholder event. See marksandspencer.com/plana



WHAT WE SELL

PRODUCTS WITH PLAN A QUALITIES**

PROGRESSING

AIM

To have at least one Plan A quality in all M&S Clothing & Home and Food products by 2020.

PROGRESS

As of April 2017, based on the volume of items sold worldwide, 79% of M&S products have at least one Plan A quality (last year 73%).

This includes 81% of M&S food products (last year 73%) and 68% of Clothing & Home products (last year 69%). The calculation differs from last year because some products have been moved into the Food category.

M&S FOOD NUTRITIONAL CONTENT

ACHIEVED

AIM

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

PROGRESS

In the Plan A section of our website at marksandspencer.com/plana we will publish annual updates on subjects previously reported through the UK Public Responsibility Deal. The highlights this year include information about our expanded front of pack health labelling, calorie information on beers, wine and spirits, and the introduction of vitamin D into all 'Food on the Move' sandwiches.

INTEGRATE HEALTH AND SUSTAINABILITY FOOD LABELLING

ACHIEVED

AIM

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

See 2015 Plan A Report

DEFINING PLAN A PRODUCTS

ACHIEVED

AIM

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

See 2015 Plan A Report

CLOTHING & HOME SUSTAINABLE LEARNING PRODUCTS**

PROGRESSING

AIM

Trial and evaluate at least two Clothing & Home Sustainable Learning Products or services each year from 2015.

PROGRESS

This year, we launched the first products in our Skin Kind jewellery range, which are designed to be extra kind to sensitive skin along with Super Hydrate Day Cream made with managed supplies of naturally foraged borage (Starflower) and blackcurrant seed oils.



PERFORMANCE ECONOMIC CONTINUED

HOW WE SELL

INTEGRATED PLAN A MARKETING**

NOT
ACHIEVED

AIM

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

PROGRESS

During the year, we integrated Plan A messages into several of our marketing campaigns. We referred to sustainable sourcing policies in our autumn 2016 TV advertisements and in the random acts of kindness and £500 store charity donations linked to our Mrs Claus Christmas Campaign. We also displayed Plan A messaging at Clothing & Home till points in our 82 largest UK stores.

We ran separate Plan A campaigns for Shwopping, Breast Cancer Now, Macmillan Cancer Support's World's Biggest Coffee Morning, Shelter, Fairtrade Fortnight and the 'Thanks-a-million' Sparks Card celebration. Our Sparks Card now has 5.6 million members and 93% of them have chosen a charity to receive 1p for every transaction they make. In 2016/17 the card helped to raise £1.8m for charities. That's £2.4m since its launch in 2015.



PLAN A MARKETING

ACHIEVED

AIM

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

See 2015 Plan A Report

IDENTIFYING PLAN A PRODUCTS

ACHIEVED

AIM

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

See 2015 Plan A Report

MY PLAN A

ACHIEVED

AIM

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

See 2016 Plan A Report

MEET YOUR PRODUCER WEBSITE

ACHIEVED

AIM

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

See 2015 Plan A Report

EAT WELL

ACHIEVED

AIM

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

See 2015 Plan A Report

PROMOTING HEALTHY FOOD**

(NEW)
ACHIEVED

AIM

By 2017, we will work with key external stakeholders to develop and launch a range of healthy food initiatives to meet the needs of our customers.

PROGRESS

This year, we've worked with many different stakeholders, including Coeliac UK, the Vegetarian Society and the British Nutrition Foundation, to address portion control. We conducted customer research that highlighted how health is now a priority for our customers, with many of them actively looking for healthy options. At the start of 2017, we linked the M&S Sparks Card to our healthy eating campaign by offering a 10% discount on all Eat Well products. See our commitment on M&S food nutritional content for further examples.

PERFORMANCE



ENVIRONMENTAL

Our commitments on the environmental impacts of M&S operations, including greenhouse gas emissions, energy usage, transport, waste, packaging, water and sustainable buildings. Then performance is shown as Achieved, Progressing, Behind or Not achieved.

CLIMATE CHANGE AND GREENHOUSE GAS EMISSIONS

CARBON NEUTRAL OPERATIONS**

ACHIEVED

AIM

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

PROGRESS

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

This year, to reflect best practice, we've published our Group emissions using both the traditional Location method (national grid averages) and the newer Market method (allowing for renewable tariffs, bio-methane and other market instruments). We've achieved carbon neutrality again, through a combination of reductions, procuring renewable energy, and purchasing and retiring high quality carbon offsets. As a signatory to the United Nation's Climate Neutral Now initiative, we procured 10% of the offsets retired for 2016/17, through the Clean Development Mechanism (CDM) process. For more information see: climatenutralnow.org.

In 2016/17, our Location method emissions were 526,000 tonnes CO₂e, down by 28% on 2006/07 (732,000 tonnes CO₂e). Around 30,000 tonnes of the reduction achieved in 2016/17 was due to lower UK grid factors.

Our Market method emissions were 221,000 tonnes CO₂e, down by 70% on 2006/07 (732,000 tonnes CO₂e). Per sq ft of salesfloor this is equivalent to a reduction of 76%. Full disclosure of M&S climate risks can be found by registering as a user at cdp.net. More detailed data by source covering several years can also be seen at: marksandspencer.com/plana

M&S CO₂e emissions

	PLAN A BASELINE 2006/07 000 T CO ₂ E	UK LEGAL BASELINE 2013/14 000 T CO ₂ E	LAST YEAR 2015/16 000 T CO ₂ E	THIS YEAR 2016/17 000 T CO ₂ E	ACHIEVEMENT ON 2006/07
Location method (using national grid averages)					
Direct emissions from operations (SCOPE 1)	246	168	182	185	-25%
Indirect energy emissions from operations (SCOPE 2)	394	340	328	293	-26%
Total scope 1 and scope 2 emissions	640	508	510	478	-25%
Other indirect emissions including waste, business travel and energy and fuel (SCOPE 3)	92	59	56	48	-48%
Total Location method emissions	732	567	566	526	-28%
Total Location method emissions per 1,000 sq ft of salesfloor	46	30	29	26	-43%
Market method (using contracted energy supplies and other instruments)					
Direct emissions from operations (SCOPE 1)	246	168	176	173	-30%
Indirect energy emissions from operations (SCOPE 2)	394	38	35	0	-
Total scope 1 and scope 2 emissions	640	206	211	173	-73%
Other indirect emissions including waste, business travel and energy and fuel (SCOPE 3)	92	59	55	48	-48%
Total Market method emissions	732	265	266	221	-70%
Total Market method emissions per 1,000 sq ft of salesfloor	46	14	14	11	-76%
Carbon neutrality					
Carbon offsets purchased and retired	0	265	266	221	-
Total net emissions	732	0	0	0	-
Total net emissions per 1,000 sq ft of salesfloor	46	0	0	0	-

Emissions are shown in compliance with the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard Revised and have been calculated using revised carbon conversion factors published by BEIS in June 2016. For international electricity, 2016 IEA scope 2 and 2015 DECC/DEFRA scope 3 factors have been used. Additional refrigeration gases are drawn from Bitzer Report 18. This includes all activities where we have operational control. It excludes all non-metered premises and shopping service contract supplies. Renewable electricity tariffs have been calculated in accordance with the March 2015 WRI/WBCSD GHG Scope 2 Guidance on procured renewable energy. We have also added a conservatively estimated 2006/07 baseline for our International operations based on 2013/14 data. International direct emissions have been estimated for 2016/17.

PERFORMANCE ENVIRONMENTAL CONTINUED

CLIMATE CHANGE AND GREENHOUSE GAS EMISSIONS CONTINUED

LOGISTICS CARBON FOOTPRINTING

ACHIEVED

AIM

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

See 2016 Plan A Report

MULTI-CHANNEL RETAIL FOOTPRINT

ACHIEVED

AIM

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

See 2016 Plan A Report

STORE REFRIGERATION – EMISSIONS**

BEHIND

AIM

Reduce UK and ROI store refrigeration gas carbon emissions by 80% by 2020.

PROGRESS

This year, our emissions from UK and ROI refrigeration and air-conditioning were 56,000 tonnes CO₂e. Allowing for increases in store footage, emissions were down 67% at 3.1 tonnes CO₂e/1000 sq ft (2006/07: 9.4 tonnes). Although this represents modest year-on-year progress, it's behind where we planned to be.

UK and ROI store refrigeration and air-conditioning emissions
in tonnes CO₂e per 1,000 sq ft

2006/07 Actual	2015/16 Actual	2016/17 Actual	2020 Target	Achievement on 2006/07
9.4	3.5	3.1	1.9	-67%

STORE REFRIGERATION – REPLACING HFCS

BEHIND

AIM

To use carbon dioxide in all new UK and ROI refrigeration system installations and replace HFCs by 2030.

PROGRESS

Thirty seven M&S stores now have HFC-free CO₂-based 'trans-critical' refrigeration systems, which are now our standard specification for all new-build stores. We've also continued to work in partnership with the Consumer Goods Forum to develop HFC-free gases which could be retrofitted into existing equipment.

**Refrigeration and air-conditioning gases used in
M&S UK and ROI stores**

HCFC	1%
HFC	70%
HFO	0%
Other natural fluids and gases	29%

ENERGY CONSUMPTION AND SOURCING

UK AND ROI ENERGY EFFICIENCY (1)

ACHIEVED

AIM

Improving energy efficiency in UK and ROI stores, offices and distribution centres by 35% per sq ft by 2015.

See 2015 Plan A Report

UK AND ROI ENERGY EFFICIENCY (2)**

BEHIND

AIM

Improving energy efficiency in UK and ROI stores, offices and distribution centres by 50% per sq ft by 2020.

PROGRESS

This year, we improved total energy efficiency across our stores, offices and warehouses by 39%, to 35.1 KWh/sq ft compared with 2006/07 (57.4 KWh/sq ft).

Store energy efficiency was +38% at 42.3 KWh/sq ft, compared to (67.9 KWh/sq ft) in 2006/07. Gas usage included in our calculation has been adjusted using standard degree days to reflect changes in the number of cold days (44.2 KWh/sq ft before adjustment). This performance is slightly down on last year due to an increased proportion of new Food sales floor, which consumes more energy than Clothing & Home.

We improved energy efficiency in our warehouses by 41% at 15.7 KWh/sq ft compared with 2006/07: 26.4 KWh/sq ft. We improved energy use in our offices by 36% at 31.8 KWh/sq ft (2006/07: 49.4 KWh/sq ft).

UK and ROI Energy Efficiency

Total store, office and warehouse energy usage in KWh/sq ft

2006/07 Actual	2015/16 Actual	2016/17 Actual	2020 Target	Achievement on 2006/07
57.4	34.9	35.1	28.7	-39%



ENERGY CONSUMPTION AND SOURCING CONTINUED

INTERNATIONAL ENERGY EFFICIENCY**

PROGRESSING

AIM

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

PROGRESS

Last year we operated stores in 16 countries outside the UK and ROI, including a joint-venture business in India. Around a third of this international footage uses energy provided by a landlord and is outside our operational control. We've only included the energy and footage where we have operational control.

In 2016/17, we reduced our energy consumption by 9%, achieving 25.5 KWh/sq ft compared to 2013/14 (27.9 KWh/sq ft). Energy consumption in our International stores is much lower than in those in the UK and ROI as most don't sell chilled food and use heating and air-conditioning provided by a landlord.

We have four international warehouses. Their primary function is to support our UK business. These warehouses showed a 77% improvement in efficiency, due to changes in the way they use their footage.

International stores (outside of ROI)

Total store energy usage in KWh/sq ft

2013/14 Actual	2015/16 Actual	2016/17 Actual	2020 Target	Achievement on 2013/14
27.9	27.5	25.5	22.4	-9%

Internationally located warehouses

Total warehouse energy usage in KWh/sq ft

2013/14 Actual	2015/16 Actual	2016/17 Actual	2020 Target	Achievement on 2013/14
9	6.9	2.1 [^]	7.2	-77%

[^] The main reason for this improvement is the removal of a warehouse in Hong Kong from the data, due to its multi-user status.

STORE REFRIGERATION – DOORS**

ACHIEVED – LATE

AIM

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

PROGRESS

We are not reporting additional progress this year but plan to install further refrigeration energy efficiency measures during 2017/18.

RENEWABLE ELECTRICITY**

PROGRESSING

AIM

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

PROGRESS

This year, all electricity purchased for our stores, offices and warehouses in the UK and ROI came from green tariff renewable sources or on-site generation, or was supported by other market-place instruments. This is now the case for our worldwide operations, in line with our commitment to the RE100 initiative.

SMALL-SCALE ELECTRICITY

BEHIND

AIM

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

PROGRESS

This year, we procured around 266 CWhs, equivalent to 40% of our annual usage, from small-scale generators through our electricity procurement contracts (last year 22%). However, when consolidated across the estate our contracts no longer match the total required by 2020.

BIO-METHANE**

PROGRESSING

AIM

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

PROGRESS

In 2016/17, we purchased 64 CWhs of bio-methane gas, equivalent to 27% of our annual usage, (last year 15%). This reduced our Market-method reported emissions by 11,700 tonnes of CO₂e.

TRANSPORT

FUEL EFFICIENCY PART (1)

NOT ACHIEVED

AIM

Achieving a 35% improvement in fuel efficiency in our UK and ROI Food deliveries to stores by 2015.

See 2015 Plan A Report

FUEL EFFICIENCY PART (2)

PROGRESSING

AIM

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

PROGRESS

We're always looking for new ways to improve our transport vehicle fleets' overall efficiency and use them more effectively. Consequently, it's difficult for us to set targets that enable easy 'year on year' comparisons. We'll continue to report on our performance.

During the year, we improved fuel efficiency for our Food store deliveries by 10%, to 1,436 litres per store (last year 1,593 litres). We attribute this to a number of actions taken this year; for example, making deliveries to several new small M&S Simply Food stores in one journey. Our Clothing & Home store delivery fuel efficiency was unchanged at 7 litres of diesel for every 1,000 of product delivered.

In total, our fleets used around 31m litres of diesel (last year 30m litres), including red-diesel to power refrigerated trailers. This contributed 82,000 tonnes of CO₂e to our reported direct emissions.

PERFORMANCE ENVIRONMENTAL CONTINUED

TRANSPORT CONTINUED

NITROGEN TRAILER TRIAL

(NEW)
ACHIEVED

AIM

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

PROGRESS

We completed a trial of nitrogen-chilled trailers at our Food warehouse in Hemel Hempstead. These trailers use nitrogen as an alternative to HFC gases and this can have a significant impact on the environment. However, unlike HFC gases, which are contained in the vehicle, the nitrogen system requires refilling every day. The trailers operated effectively but require further development.

REDUCE BUSINESS FLIGHTS

ACHIEVED

AIM

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

See 2014 Plan A Report

WASTE

NO WASTE TO LANDFILL – OPERATIONS**

ACHIEVED

AIM

Maintain zero waste to landfill for M&S operations in the UK and ROI and report on the progress of our other international operations.

PROGRESS

In 2016/17, our UK and ROI operations once again recycled 100% of the waste generated in our stores, offices and warehouses (2008/09: 41%). Due to a supplier error, 25 tonnes was sent to landfill. Our total waste was down by 28%, to 83,000 tonnes compared with 116,000 tonnes in 2008/09.

This year, all our food waste was processed using anaerobic digestion, at locations certified to BSI PAS 110 – guaranteeing that all resulting materials are safe to use. At our stores in France, the Netherlands and Belgium, we generated an additional 634 tonnes of waste (last year 866) none of which went to landfill.

UK and ROI store, office and warehouse waste in 000 tonnes

	2008/09	2015/16	2016/17	Achievement on 2008/09
Total waste	116	80	83	-28%
Waste per sq ft of salesfloor (kgs)	77	47	47	-39%
Waste to landfill	69	0	0	-
% recycled in all forms^	41%	100%	100%	+59%

^Includes a wide range of recycling technologies with energy-from-waste as a last option

WASTE CONTINUED

FOOD WASTE**

BEHIND

AIM

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

PROGRESS

In 2016/17, our UK retail food waste was 4.06 tonnes per 1,000 sq ft of food salesfloor, down 4% compared to 2013/14 and around level on last year.

UK M&S operated store retail food waste

	2013/14	2015/16	2016/17	2019/20 Target	Achievement on 2013/14
Tonnes of food waste per 1,000 sq ft of M&S operated food salesfloor	4.22	4.03^	4.06	3.38	-4%

UK M&S operated store retail food waste calculated by taking the total weight of unsold food collected and deducting averaged estimations for packaging, café and other types of waste. ^2015/16 data re-stated for improved accuracy.

By working with the Neighbourly social network, we ensured that nearly 600 charities benefited from the redistribution of 757 tonnes of surplus food (2014/15: 60 tonnes).

CUSTOMER CLOTHES RECYCLING**

BEHIND

AIM

To help our customers in the UK, ROI and internationally give clothes a second life by recycling 50 million garments by 2020 (from 2008).

PROGRESS

This year, our UK and ROI customers donated 3.4 million garments (last year 2.7 million) through our Shwopping clothes recycling initiative, helping us raise an estimated £2m for Oxfam (last year £1.3m).

Annual clothes collections

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	Total
Number of garments in millions	3.2	1.8	3.0	3.0	3.8	4.0	2.8	2.7	3.4	27.8

We launched a similar clothes recycling and re-use scheme at our stores in Belgium, Czech Republic, France, Hong Kong, Hungary, the Netherlands, Poland and Slovakia and collected a further 119,000 garments. This brings our running total since 2008 to 27.8 million garments.

WASTE CONTINUED

TEXTILE RECOVERY R&D

AIM

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

PROGRESS

This project, known as REDRESS, considered different options for reducing the environmental impact of clothing and culminated in November 2016 with a conference attended by more than 50 technical specialists. Research conducted through the project showed that customers are keen to retain flexibility of choice when choosing products and that learning skills to repair garments gave them a greater appreciation of clothing. As a result of the research, two possible commercial opportunities were identified.

CIRCULAR ECONOMY OPPORTUNITY

AIM

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

See 2015 Plan A Report

CIRCULAR ECONOMY POLICY

AIM

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

See 2015 Plan A Report

UK and ROI used Christmas card recycling

	2015/16	2016/17	% change
Used Christmas cards (in tonnes)	251	123	-51%
Used Christmas cards (in singles)	10m	6m	-40%

(NEW)
ACHIEVED

ACHIEVED

ACHIEVED

PACKAGING

ENVIRONMENTALLY EFFICIENT FOOD PACKAGING

AIM

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

PROGRESS

After making strong progress in 2013 and 2014, our overall packaging usage and the resulting carbon footprint, increased in 2015. We attribute this to several factors, including higher wine sales, which increased our packaging usage. As a result, we didn't make our planned contribution to WRAP's Courtauld Commitment 3 targets, but have re-committed to supporting WRAP's work through their new Courtauld Commitment 2025 targets.

USING PACKAGING TO REDUCE FOOD WASTE

AIM

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

See 2015 Plan A Report

PACKAGING RECYCLING PARTNERSHIPS

AIM

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

See 2015 Plan A Report

REDUCE CLOTHING & HOME TRANSIT PACKAGING (1)

AIM

Reduce UK and ROI Clothing & Home transit packaging waste by 25% by 2015.

See 2015 Plan A Report

NOT
ACHIEVED

ACHIEVED

ACHIEVED

NOT
ACHIEVED

PERFORMANCE ENVIRONMENTAL CONTINUED

PACKAGING CONTINUED

REDUCE CLOTHING & HOME TRANSIT PACKAGING (2)

BEHIND

AIM

Reduce Clothing & Home UK and ROI transit packaging by 30% by 2020 against a baseline of 2012.

PROGRESS

This year we used *31.0g transit packaging per item compared to *28.8g last year and *36g in 2012. This 8% increase compared with last year (-14% on 2012) resulted from our transporting more products in cardboard boxes in order to improve delivery vehicle efficiency and fuel use. Despite this, reductions to transit packaging have been achieved in 16 departments.

REDUCE HOME DELIVERY PACKAGING

ACHIEVED

AIM

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

See 2015 Plan A Report

UK & ROI clothes hanger re-use and recycling

	2016	2017	% change
Collected	103m	94m	-9
Re-used	64m (62% of collected)	57m (61% of collected)	-11
Recycled	39m (38% of collected)	37m (39% of collected)	-5

WATER

WATER USAGE**

BEHIND

AIM

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

PROGRESS

During 2016/17, our UK and ROI store, office and warehouse water consumption was down 27% at 49 litres per 1,000 sq ft (2006/07: 67 litres per sq ft). This is slightly worse than last year which we believe is due to variations in billing. Our total UK and ROI usage was 1,179,558m³, down by 7% against our baseline (2006/07: 1,266,704m³). For our warehouses, we use the first available data as our baselines; 2007/08 for Food and 2009/10 for Clothing & Home.

Currently, we cannot report on water usage in any other international locations.

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

Actual 2006/07	Actual 2015/16	Actual 2016/17	Target 2020	Achievement on 2006/07
67	46	49	44	-27%

SUSTAINABLE BUILDINGS

EXTEND CONSTRUCTION INITIATIVES**

PROGRESSING

AIM

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

PROGRESS

To ensure a stream of construction innovations, we continue to draw on ideas presented at external events, including the Dragons Den-style 'Big Innovation Pitch' held at the annual Ecobuild event. This complements our New Engineering Technology process.

This year we've continued to trial Waterblade on our taps and LED lighting in Clothing & Home sales floor areas. We extended the use of a new type of LED luminaire to 29 stores. These are special units designed to connect to existing fixtures in stores where traditional installation techniques are difficult. This allows us to upgrade lighting in older stores where we were unable to do so in the past.

TOP 50 STORE CLIMATE ADAPTATION**

ACHIEVED -
LATE

AIM

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

PROGRESS

This year, we started using the Climate Change Adaptation and Resilience Tool previously developed as part of this commitment. We're using it as part of our new store approval process and it also forms part of a new climate change learning module.

STORE DEVELOPMENT ASSESSMENTS**

ACHIEVED -
LATE

AIM

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

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

See 2016 Plan A Report

SUSTAINABLE BUILDINGS CONTINUED

ENVIRONMENTAL LEASEHOLD CLAUSES (1)

ACHIEVED

AIM

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

See 2016 Plan A Report

ENVIRONMENTAL LEASEHOLD CLAUSES (2)

(NEW)
ACHIEVED

AIM

In 2016/17 we will launch a project to engage with our major landlords to promote better collaboration.

PROGRESS

This year, we launched a new project to engage with seven major landlords (accounting for 72 M&S stores), about energy efficiency in shared areas of shopping centres. The project identified the 11 least efficient locations and we're now investigating potential improvements.

INTERNATIONAL SUSTAINABLE LEARNING STORES

NOT
ACHIEVED

AIM

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

See 2016 Plan A Report

BENEFITS OF SUSTAINABLE STORES

ACHIEVED

AIM

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

PROGRESS

This year we assessed all our UK stores against the World Green Building Council's framework for health, wellbeing and productivity in retail buildings. This showed that whilst customer and colleague satisfaction are closely related across all store formats, Outlet stores performed best. Using these findings, we plan to further investigate the physical characteristics that contribute to the highest levels of satisfaction.

BUILDING INFORMATION MODELLING (BIM)

ACHIEVED

AIM

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

No further progress. See 2016 Plan A Report

EMBODIED CARBON IN BUILDINGS

PROGRESSING

AIM

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

PROGRESS

Embodied carbon is the amount of carbon emitted when materials such as steel, concrete, tiles and plasterboard are manufactured. Through our previous work we've concluded that the main construction embodied carbon hotspots we can influence are ceilings, walls and floors. We appointed Sturgis Carbon Profiling, a specialist consultancy, which has developed recommendations, including those covering the way we specify the shell of our stores and the use of lower carbon walls. We plan to trial one of these wall systems in a new store to be built at Rushden Lakes in Northamptonshire.

OFF-SITE CONSTRUCTION

ACHIEVED

AIM

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

No further progress. See 2016 Plan A Report

NUMBER OF PLAN A SHOP FIT ITEMS

PROGRESSING

AIM

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

PROGRESS

This commitment covers all new salesfloor items directly procured and specified by M&S, items which are evaluated against our best practice criteria for: lifecycle assessment, use of recycled material, responsible sourcing, volatile organic compounds (VOCs) and end-of-life resource use.

Based on the volume of new floor and wall items introduced this year, both had at least one Plan A quality. For other types of shop-fittings evaluated, 117 (99%) out of 119 items had at least one Plan A quality.

PERFORMANCE

SOCIAL



Our commitments on diversity, training, health and wellbeing, and community at M&S operations. Then performance is shown as Achieved, Progressing, Behind or Not achieved.

EMPLOYMENT AND DIVERSITY

EMPLOYEE DIVERSITY**

ACHIEVED

AIM

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

PROGRESS

As of April 2017, 30% of our Board and 41% of employees in senior management positions across our global business are women.

We remain a supporter of the 30% Club (for women Board Directors) and have been listed for the seventh year running as a Times' Top 50 Employer for Women. During the year, around 200 colleagues from across the business joined our Pride celebrations in London and Manchester. Working with Disabled Go, we also published detailed accessibility guidance for all our UK stores at disabledgo.com/marksandspenceruk

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

	Women employees	Women managers*	Women store managers	Women in senior management
2017	72%	61%	48%	41%
2016	72%	62%	49%	41%

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

M&S UK and ROI workforce gender diversity

	Women employees	Women managers*	Women store managers	Women in senior management
2017	72%	62%	49%	41%
2016	73%	62%	47%	41%

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

M&S UK workforce ethnic diversity

	Employees from ethnic minority backgrounds	Managers from ethnic minority backgrounds*
2017	11%	13%
2016	10%	13%

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

M&S UK and ROI workforce age and experience

% of total UK workforce	Employees aged 25 years and under	Employees aged 50 years and over	Employees aged 60 years and over	Employees aged 65 years and over	Employees with over 11 years' service
2017	23%	37%	12%	4%	29%
2016	21%	38%	12%	4%	30%

All data as of March 2017

WORKING FLEXIBLY

PROGRESSING

AIM

We will promote the principle of flexible working by improving support for line managers, ensuring the accessibility of part-time working and developing a 'smarter' way of working in our offices.

PROGRESS

Our definition for Smarter Working is 'Working in a way that delivers for our customer, suits me and my role and works for my team'. To help teams deliver Smarter Working we have four guiding principles, one of which is flexibility. Our IT teams are the first area of the business to move to smarter more flexible working.

UK and ROI employee turnover

	2015/16	2016/17	% change
Total	20%	17%	-3%
Unplanned	12%	11%	-1%

Global employee Your Say surveys results**

	2015/16	2016/17	% change
Participation	77%	80%	+3
Engagement score	78%	81%	+3
Plan A score	78%	82%	+4



EMPLOYABILITY PROGRAMMES

YOUTH EMPLOYMENT AT M&S**

ACHIEVED

AIM

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

See 2016 Plan A Report

YOUTH EMPLOYMENT OUTSIDE M&S**

ACHIEVED

AIM

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

PROGRESS

Having met last year's target to work with 100 suppliers (see 2016 Plan A Report), our Food suppliers offered a further 1,109 work placements this year (last year 1,393). Over 90% of the young people who completed the programme went on to find work.

MARKS & START**

ACHIEVED

AIM

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

PROGRESS

In 2016/17, we offered Marks & Start work placements to 2,927 people through our partnerships with Gingerbread, Remploy, The Prince's Trust and Business in the Community. Of these, 1,503 were young unemployed people aged 25 years or younger. Over 65% of the individuals who completed the programme went on to find work.



MARKS & START INTERNATIONAL**

PROGRESSING

AIM

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

PROGRESS

This year, 48 people undertook work experience placements at M&S stores in India, Greece, Poland and the Czech Republic. M&S suppliers in Bangladesh, Sri Lanka and India continued to provide work experience and employment opportunities for more than 300 people.

PERFORMANCE SOCIAL CONTINUED

TRAINING AND DEVELOPMENT

UK AND ROI RETAIL SKILLS

PROGRESSING

AIM

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

PROGRESS

This year, we provided each Customer Assistant colleague with an average of around 1.5 days' training, covering key compliance issues such as Fire Safety, Manual Handling, Emergency Management, Food Allergens and other topics. We introduced a new programme, 'making every moment special', (4 hours for retail managers and 2 hours for Customer Assistants) and improved till point and payment procedure. We trained wine advisers in our top 70 stores up to Wine and Spirit Education Trust level 2 certification and established regional centres of excellence for furniture and bra-fit.



UK AND ROI RETAIL SKILLS FOR NEW CUSTOMER ASSISTANTS

PROGRESSING

AIM

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

PROGRESS

Matching our performance last year, all new Customer Assistants receive minimum training of at least four weeks and if necessary up to six months, in order to acquire a range of technical, service and selling skills.

SUCCESSION PLANNING

ACHIEVED

AIM

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

PROGRESS

As of August 2016, 77% of appointments to our 120 most senior vacancies were made internally (20 internal appointments out of 26 vacancies). This figure included internal promotions and moves into a role at the same level.

UK AND ROI PLAN A SKILLS

ACHIEVED

AIM

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

See 2015 Plan A Report

INTERNATIONAL PLAN A SKILLS

(NEW) ACHIEVED

AIM

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

PROGRESS

This commitment is now achieved. This year, we updated our training materials again, including new content about our 'making every moment special' customer service initiative.

INTERNATIONAL PLAN A CAPACITY

PROGRESSING

AIM

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

PROGRESS

Our International operations already contribute to our performance updates about youth unemployment, community, gender diversity and energy management. During the year, we extended our Clothes Exchange initiative to cover our stores in Belgium, Czech Republic, France, Hong Kong, Hungary, the Netherlands, Poland and Slovakia. Our stores in India also launched their own version of Spark Something Good community volunteering.

RESPONSIBLE LEADERSHIP

ACHIEVED

AIM

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

See 2016 Plan A Report

HEALTH AND WELLBEING

WELLNESS

AIM

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

PROGRESS

Using data from our Your Say employee survey, our 2017 Wellness benchmarking measurement was 82%, up 4% on last year's 78%.

EXTEND ACCESS TO PLAN A HEALTH INFORMATION

AIM

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

See 2016 Plan A Report

EXTEND EMPLOYEE HEALTH SERVICES

AIM

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

PROGRESS

We continued our calendar of health events and activities. This year, they included a two-week 'Dare to be yourself' inclusion and wellbeing programme in September-October 2016 as well as a New Year Wellbeing Challenge. More than 1,100 M&S colleagues took part in the challenge, which involved activities across seven areas of health including, diet, exercise and relaxation.

NUTRITION LABELLING – EMPLOYEE CAFÉS

AIM

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

See 2015 Plan A Report

2016/17 UK and ROI health and safety**

	RIDDER INJURY RATE PER 100,000 EMPLOYEES			
	Fatal	Specified	Over 7 days	TOTAL
M&S UK retail	0	24.7	30.6	55.3
2015/16 HSE UK retail benchmark	0.11	55.1	207	262.2
*M&S NI retail	0	66.4	66.4	132.9
*M&S ROI retail	0	77.7	272.2	349.9
M&S warehouse	0	71.5	429.2	500.7
2015/16 HSE UK warehouse benchmark	0.59	350.9	1354	1,705.6

* Subject to different reporting and support mechanisms

** Assured by DNV GL

COMMUNITY

ANNUAL STORE FUNDRAISING

AIM

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

PROGRESS

This year, our stores, offices and warehouses raised £1.4m for local charities. All UK and ROI M&S operated locations can adopt a Charity of the Year through the Neighbourly social network, which enables them to connect directly with local charities.

This year, our Spark Something Good community programme visited a further seven cities: Bradford, Bristol, Exeter, Leeds, Leicester, Newcastle and Plymouth (making 12 in total) where over 4,000 volunteers have worked on more than 240 projects.

ONE DAY'S PAID VOLUNTEERING

AIM

We will play an active role in local communities by offering all our UK and ROI employees one day's paid leave to volunteer in their community. From 2015, we will aim for at least 5,000 volunteering days to be taken each year (up to 2020).

PROGRESS

Colleagues took over 2,900 paid volunteer days this year (last year 5,000). More than 1,000 colleagues helped in our Spark Something Good community days. The reduction compared with last year was due to the postponement of a major event.

PROPERTY DEVELOPMENT COMMUNITY PLANS

AIM

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

PROGRESS

We've developed an M&S Construction Community Engagement Plan, covering all major new-build UK and ROI stores, and refurbishments that run for six weeks or more. It includes four main elements: meeting a defined level of performance in the Considerate Construction Scheme; having a written Community Plan applicable to each project; compliance with the M&S Community Guide; and participation in our youth unemployment programme. This year, a total of 27 construction projects took part and 26 of them met acceptable levels of performance. We're now looking at how we can improve the support we provide to our construction partners.

PERFORMANCE SOCIAL CONTINUED

COMMUNITY CONTINUED

SUPPORTING CHARITIES

PROGRESSING

AIM

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

PROGRESS

This year, we helped to raise £6.9m for Health and Wellbeing charities (last year £5.25m). A total of £17.5m over four years towards our £20m target.

The new appeal, launched in 2015 with Breast Cancer Now to help prevent 9,000 cases of breast cancer a year by 2025, has raised £5.2m so far, including £2.8m this year (last year £2.4m). Fundraising activities included Breast Cancer Awareness Month, Fashion Targets Breast Cancer, Sparks Card donations and Charity Christmas cards.

For the seventh year running, M&S Cafés, Foodhalls and Simply Food stores participated in Macmillan Cancer Support's World's Biggest Coffee Morning, which together with activities throughout the year, raised £3.5m (last year £2.2m). This total included over £1m raised by M&S employees (last year £1m).

Community donations**

	2015/16 £m	2016/17 £m	% change
Cash	9.9	10.6	7
Time	1.7	1.8	6
In-kind	3.9	6.2	59
Total	15.5	18.6	20
Leveraged (additional funds raised from other sources as a result of M&S activities)	8.0	7.9	-1

PARTNERSHIP BENEFITS

ACHIEVED

AIM

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

See 2016 Plan A Report

GLOBAL COMMUNITY PROGRAMME**

PROGRESSING

AIM

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

PROGRESS

During the year, the M&S Global Community Programme covered 26 different projects in 14 countries. They directly benefited around 40,500 people, in addition to the 91,000 people helped in 2015/16 and 2014/16. Some of the most important projects, such as the Emerging Leaders partnership, are increasing in scale and being replicated in other countries such as Senegal, Ivory Coast and India. For further information, see: emerging-leaders.net

SIEFF AWARD

ACHIEVED

AIM

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

See 2015 Plan A Report

INTERNATIONAL UNICEF

ACHIEVED

AIM

From 2014, our International stores and offices (excluding the Republic of Ireland) will help to raise £1m over three years (2016) to invest in education projects for some of the world's poorest children.

See 2016 Plan A Report



PERFORMANCE

SUPPLY CHAIN

Our commitments on social and environmental issues in our supply chains. Then performance is shown as Achieved, Progressing, Behind or Not achieved.



POLICY

NEW GLOBAL SOURCING PRINCIPLES**

AIM

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

PROGRESS

We updated the M&S Global Sourcing Principles again in 2016, and in addition to our ongoing programme of training and events, held a Human Rights And Modern Slavery Conference in February 2017. We used this event to launch a new Modern Slavery Toolkit for suppliers and business partners.

During the year, we also took part in the inaugural Corporate Human Rights Benchmark. We were rated as the best retailer and second best company overall. See business-humanrights.org

M&S FOOD SUPPLIER ETHICAL AUDITS 2016/17**

All direct M&S Food suppliers and our most important raw material suppliers are required to undertake ethical audits at a frequency determined by risk.

Continent	Supplier sites	Audited supplier sites	Workers at supplier sites	Audits	Improvements required	Improvements required per audit
Africa	11	2	9,438	2	11	5.5
Asia	44	25	40,316	25	282	11.3
Europe	807	206	206,633	210	813	3.8
North America	14	7	3,809	7	32	4.5
Oceania	8	8	29,461	8	46	5.8
South America	10	3	12,566	4	15	3.7
Total	894	251	302,223	256	1,199	4.7

Sites not audited in 2015/16 have previous recent ethical audits or are in the process of scheduling one for 2016/17.

FOOD

SUSTAINABLE FOOD FACTORIES**

AIM

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

PROGRESS

As of April 2017, the proportion of M&S Food products provided by Silver level suppliers increased to 56% (last year 48%) as a result of the validated performance of 105 supplier sites. To achieve this standard, a site has to perform at Silver level or above, across three areas: human resources, environmental performance and resource efficiency. Four of these 105 supplier sites have been further validated at Gold level.

Out of all food supplier sites taking part, 70% now send no waste to landfill (last year 60%) and 54% have reduced both their water and energy usage per tonne of product, compared to last year.

ACHIEVED

Types of improvement required



M&S CLOTHING & HOME SUPPLIER ETHICAL AUDITS 2016/17**

All direct M&S Clothing & Home suppliers are required to undertake ethical audits at a frequency determined by risk.

Continent	Supplier sites	Audited supplier sites	Workers at supplier sites	Audits	Improvements required	Improvements required per audit
Asia	971	844	812,372	844	2,408	2.8
Europe	236	170	64,061	170	370	2.1
Total	1,207	1,014	876,433	1,014	2,778	2.7

Types of improvement required



PERFORMANCE SUPPLY CHAIN CONTINUED

FOOD CONTINUED

M&S FARMING FOR THE FUTURE (1)

ACHIEVED

AIM

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

See 2015 Plan A Report

M&S FARMING FOR THE FUTURE (2)**

PROGRESSING

AIM

Working with our partners, by April 2017 we will publish improved sustainability and animal welfare outcome measure standards for key M&S farmed raw materials including fresh meat, farmed fish, poultry, liquid milk and eggs. Once completed, from 2018, we will publish our year-on-year performance against these outcome measure standards.

PROGRESS

Working in partnership with our suppliers and the FAI Farms consultancy, we're developing a range of animal welfare and environmental indicators spanning 11 categories in total, see below:

Animal welfare	Environmental
Liveability (based on mortality)	Climate change (based on energy and carbon)
Disease	Land system change
Injury	Freshwater use
Mobility	Biodiversity loss
Behaviour	Nitrogen and phosphorus flows
	Chemical pollution

For more information, see marksandspencer.com/plana

FOOD SUPPLY CHAIN SKILLS

ACHIEVED

AIM

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

See 2015 Plan A Report

FOOD SUSTAINABLE KEY COMMODITIES

NOT ACHIEVED

AIM

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

See 2015 Plan A Report

RSPB AND BUTTERFLY CONSERVATION PROJECTS

(NEW) ACHIEVED

AIM

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

PROGRESS

In partnership with the RSPB and Butterfly Conservation, we've funded a three-year programme (running from 2014 to 2017) to help ten farms (each supplying different M&S food raw materials in different parts of the UK) to assess and improve support for birds, bees and other pollinators. Local RSPB and Butterfly Conservation volunteers have conducted annual assessments of the types and numbers of species found on these farms. Each farmer has received a report detailing the results along with suggestions about how habitats can be improved.

The second survey, completed in 2016, surveyed ten farms. It listed 89 species of birds, compared to 81 in 2014. These species included additional species of Marsh tit and Spotted flycatcher. Seven farms were surveyed for butterflies, moths and bees and although lower counts were recorded, this was considered to be due to a number of factors, including fewer farm surveys and possibly weather impacts.

FOOD CONTINUED

ZERO DEFORESTATION**

PROGRESSING

AIM

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

PROGRESS

Last year, we published our sourcing policies for palm oil, soy, cattle and paper materials and these can be seen at: marksandspencer.com/plana

Our current progress as of April 2017 is summarised below:

Palm oil: In 2016/17, all of the palm oil used in M&S products was Roundtable on Sustainable Palm Oil (RSPO) certified. *90% was a mix of segregated and mass balance (last year: *92%) with the remaining 10% covered by the procurement of RSPO credits (previously known as GreenPalm certificates). Nevertheless, we know that some stakeholders believe that stronger safeguards are required and we're working with others to help our suppliers ensure zero deforestation.

Soy: Nearly all the soy used in M&S supply chains is in animal feed. We've communicated our standards for sourcing soy to our suppliers as part of an Animal Feed Code of Conduct. We remain members of the Amazon Soy Moratorium Customer Group and have commissioned research to improve our understanding of where soy is used in the supply chain. We also purchased 15,000 Roundtable for Sustainable Soy credits to support the transition to sustainable supplies.

Brazilian beef: We no longer source any type of beef from the Amazonian biome.

Brazilian leather: We already have sourcing policies and traceability assessments in place to ensure that none of the leather used in M&S products contributes to deforestation.

Paper materials: These are covered in more detail in our separate commitment on sustainable wood.

RESPONSIBLY FARMED FISH**

ACHIEVED

AIM

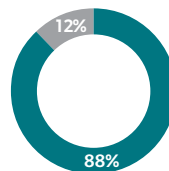
All M&S farmed fish and fish feed to come from the most responsible sources available by 2015.

PROGRESS

We've developed new standards for mussels, which are sea animals, but are farmed with human intervention. We've also published details of our farmed fish sourcing at:

marksandspencer.com/plana

Wild fish sourcing**



- Sustainable practice applied or participating in a fisheries improvement project
- Working with WWF for improvement

This year, we committed to support the Seafish Responsible Fishing Scheme, which covers a range of best practices for employment, health & safety and avoidance of marine litter.

See seafish.org. We've published details about our fish sourcing at: marksandspencer.com/plana

CLOTHING & HOME

ENERGY EFFICIENCY AT TOP 100 CLOTHING SUPPLIERS

PROGRESSING

AIM

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

PROGRESS

Having achieved our target of 100 suppliers between 2011 and 2015, we've now adopted 2015 as our new starting point. This year, 67 of our rolling top 100 clothing suppliers have installed energy efficient lighting, improved insulation and temperature controls (last year 54).

LEATHER TANNING & DYEING**

BEHIND

AIM

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

PROGRESS

An annual supplier survey conducted in November shows that 27% of the leather used to make M&S leather products was sourced from Leather Working Group (LWG) rated tanneries this year (last year 28%). LWG standards were developed collectively by retailers and tanneries. The standards cover the evaluation of energy efficiency, water usage, chemicals management, discharges, emergency plans and traceability of leather.

* Calendar year data
** Assured by DNV GL

PERFORMANCE SUPPLY CHAIN CONTINUED

CLOTHING & HOME CONTINUED

CHEMICAL AND EFFLUENT MANAGEMENT IN DYEING

AIM

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

See 2015 Plan A Report

ACHIEVED

ZERO HAZARDOUS DISCHARGES**

AIM

We'll continue to work with industry bodies, opinion formers and suppliers to deliver innovation in working practices and processes to achieve our goal of zero discharges of hazardous chemicals from the manufacture of M&S textile and apparel products by 2020.

PROGRESS

In order to make progress towards this ambitious target, we're working collaboratively with many stakeholders, including: WWF, Greenpeace, Sustainable Apparel Coalition (SAC) and Zero Discharges of Hazardous Chemicals (ZDHC) group. Together with ZDHC and two dyehouses (one in India and one in Bangladesh) we're testing new guidelines for waste water and other residual waste. We've also achieved our aim of replacing PFC chemical coatings on all M&S clothing as of 1 July 2016.

PROGRESSING

REMOVING MICROBEADS

AIM

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

See 2016 Plan A Report

ACHIEVED

CLOTHING AND HOME LIVING WAGE

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.

See 2015 Plan A Report

ACHIEVED

SUPPLY CHAIN FAIR WAGE**

AIM

To work collaboratively with other companies, organisations, suppliers and governments to support the payment of a fair wage to the workers in our supply chain (up to 2020).

PROGRESS

We're working with the Fair Wages Network, focusing on ten sites in India.

PROGRESSING

SUPPLY CHAIN TRAINING

AIM

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

PROGRESS

As of April 2017, we'd provided training to nearly 890,000 workers in our Clothing & Home supply chain since 2010. Some workers may have undertaken training on more than one subject.

(NEW) ACHIEVED

CLOTHING SUPPLY BASE LIST

AIM

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

See 2016 Plan A Report

ACHIEVED

SUSTAINABLE COTTON (1)

AIM

Procure 25% of cotton from sustainable sources by 2015.

ACHIEVED

SUSTAINABLE COTTON (2)**

AIM

Procure 70% of cotton from sustainable sources by 2020.

PROGRESS

This year, 49% of the cotton sourced by suppliers for M&S products came from Better Cotton Initiative, Fairtrade, organic or recycled sources (last year 42%).

PROGRESSING

CLOTHING & HOME CONTINUED

SUSTAINABLE WOOD**

ACHIEVED

AIM

Our aspiration is for all the timber, paper and pulp used in M&S products, packaging, operations and construction activities to be responsibly sourced which includes Forest Stewardship Council (FSC) certified, recycled or assessed as otherwise protecting forests and communities.

By 2020, we're aiming to have achieved this target for over 95% of M&S products and packaging sold worldwide as well as the timber, paper and pulp used in our UK and ROI operations, marketing, construction and re-fit activities. For further details see our sustainable wood sourcing policy at: marksandspencer.com/plana

PROGRESS

This year, 99% of the wood-based materials we used were Forest Stewardship Council (FSC) certified, recycled or from sources assessed as otherwise protecting forests and communities (last year 99%).

2016/17 wood material use (excluding fabrics, some stationery, construction and marketing materials used in our International stores, newspapers and third-party magazines)



CLOTHING & HOME TRACEABILITY**

BEHIND

AIM

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

PROGRESS

We've explored several different approaches to managing traceability data for principal raw materials, but so far none have been successful. We're still investigating other options and have developed temporary approaches for the collation of data on cellulosic fabrics, feather & down and cashmere.

Cotton, wood and leather traceability is currently managed through separate Plan A commitments to increase our usage of more sustainable sources.

PROPERTY AND CONSTRUCTION

NO WASTE TO LANDFILL – CONSTRUCTION

ACHIEVED

AIM

Maintain zero waste to landfill for M&S retail construction activities in the UK and ROI.

PROGRESS

In 2016/17, 100% of our construction waste was recycled in some way. This excludes some hazardous waste types that may require specialist treatment.

During a changeover of waste management companies, we discovered that a small amount of waste had been sent to landfill. We've introduced further checks to avoid this in future.

ETHICAL ASSESSMENTS OF PROPERTY SUPPLIERS

PROGRESSING

AIM

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

PROGRESS

As part of our cross-business work on Human Rights we've updated our policies to reflect our new M&S Global Sourcing Principles and involved property suppliers in a conference and a survey about Human Rights and Modern Slavery. During the year, 12 independent factory audits and 178 desk top assessments of property suppliers were completed.

ABOUT PLAN A

UNDERSTANDING THIS REPORT

This is our 12th annual report about our social and environmental performance. Published in June 2017, it covers our financial year from April 2016 to March 2017.

ABOUT M&S

Marks & Spencer (Marks and Spencer Group plc) is a global retailer of mainly own-brand food, clothing and home products. There are 1,433 M&S stores worldwide and we employ 85,000 people. Our values are: Inspiration, Innovation, Integrity and In touch. Our core purpose is 'making every moment special'. Marks & Spencer is publicly listed on the London Stock Exchange and our principal trade associations are Eurocommerce, Confederation of British Industry and the British Retail Consortium. We are also a member of the Consumer Goods Forum.

AUDIENCE

Our Plan A Report is written primarily for an external audience with an interest in our social and environmental (non-financial) performance. It contains detailed data and easy-to-read summaries. It complements our main Annual Report, which provides greater context on how we create sustainable value.

Our Annual Report, which is written primarily for an investor audience, also includes integrated social and environmental information, in line with the principles of the International Integrated Reporting Council's Integrated Reporting principles. The Annual Report refers readers who require further details about social and environmental performance to the Plan A Report.

We share the information in our reports with employees and customers, in different formats.

REPORT STRUCTURE

The Plan A Report 2017 is structured to provide consistency with our 2016 Report. The first section contains senior management commentaries on our progress, highlights over the past ten years, and details of the challenges ahead. Following this, there is a systematic update against the 107 commitments in our Plan A 2020 sustainability strategy, under the four GRI based headings: Economic, Environmental, Social, and Supply chain.

The report also explains how we manage social and environmental issues through our governance structure. Independent review is provided in the form of commentary and assurance. A ten-year review of key awards and benchmarks is listed at the end of the report.

SCOPE

This report covers all M&S operated activities and joint ventures. Worldwide data is included for greenhouse gas emissions, energy efficiency, gender diversity, employee Your Say survey results, work experience initiatives, and Plan A aspects of training and community programmes. However, as we're still developing our systems for operations outside of the UK and ROI, we're not currently able to provide global data on waste, water, diversity (other than gender), employee turnover, health and safety, or training for these international operations. The Report covers all M&S products, no matter where in the world they're sold, but not the small proportion of non-M&S products we also sell. The report does not contain operational information relating to our business partners, for example, M&S Bank (operated by HSBC), M&S Energy (operated by SSE), the 300 M&S food stores operated under franchise in the UK, or international franchises.

DATA

M&S management has reviewed the relevance of data and measurements included in this report at least twice during the reporting year. There were no significant structural changes to our business during 2016/17, although consultations are now underway about proposals to close M&S stores in ten countries. Most of the data and statements in this report relate to the financial years 2016/17, 2015/16, and 2006/07 (our baseline year before the launch of Plan A). Where target completion years are stated as 2017 or 2020 these are taken as meaning 'by 31 March' in that year unless otherwise stated. To ensure consistency, we've included some calendar year data, in a format that has been explained elsewhere. This data is marked with an

asterisk*. Where we refer to events that occurred after the end of our 2016/17 financial year, we've quoted a date.

We reserve the right to amend published commitments outside the final 12 months before their planned completion date.

We will always highlight where commitments have been amended and explain the reasons why. We will not amend commitments inside their final 12 months of completion.

In line with UK legislation, our 2006/07 and 2013/14 baseline greenhouse gas emission calculations are now fixed, except when we need to retrospectively correct errors or include previously missing data. Greenhouse gas emissions for 2016/17 have been calculated using DEFRA/DECC's 2016 Greenhouse Gas Reporting Guidance, which includes an 11% lower carbon intensity rating for UK grid electricity that reduces our emissions by around 30,000 tonnes CO₂e compared to our 2015/16 figures. 2016/17 is the fourth year in which we've used a dual approach for reporting greenhouse gas emissions. Renewable electricity tariffs and bio-methane have been calculated in accordance with the March 2015, WRI/WBCSD Scope 2 Guidance on procured renewable energy to show a Market-based figure alongside the legally mandated Location-based data.

CATEGORISING OUR PERFORMANCE

The publication of this report is superseded by a 2017 update of our Plan A commitments, which now run up to 2025. Therefore, although we've continued to mark commitments as Achieved or Not achieved, any in between have been assessed as being Behind or Progressing. Commitments achieved after the stated completion date are shown as Achieved-late.

Our next (2018) Plan Report will be the first to cover progress against the new updated 2017 commitments.

+ Read more about Risk Management
in our 2017 Annual Report

CARBON NEUTRALITY

Stores, offices, warehouses and delivery fleets operated by Marks & Spencer or in joint-ventures worldwide have been self-certified as carbon neutral, in accordance with British Standards Institution's PAS2060 at 30 April 2017 for the period commencing 1 April 2016 to 31 March 2017, with a commitment to maintain carbon neutrality at least up to 31 March 2025. This means that in addition to significantly reducing emissions and purchasing renewable electricity tariffs compliant with WRI/ WBCSD Scope 2 Guidance on procured renewable energy, we have sourced a portfolio of high quality carbon credits, and a quantity equal to the remaining gross carbon emissions has been retired. You can find further supporting documentation at: marksandspencer.com/plana

REPORT TECHNICAL STANDARDS

We've used our Plan A 2020 commitments to structure this report but also indicated how these support the United Nations Sustainable Development Goals, launched in 2015. To provide a common index we've also referenced the new Global Reporting Initiative Sustainability Reporting Standards, launched in 2016, (see page 42). As a signatory to the United Nations Global Compact, this Report forms part of our Communication of Progress as indicated by the reference table on page 43.

LEGAL COMPLIANCE

We had no environmental or health & safety prosecutions in 2016/17 and no work related fatalities.

KEY IMPACTS, MATERIALITY AND ASSURANCE

Many different social, environmental and ethical issues have an impact on our business, either directly or through our global supply chains. Consequently, we have to manage a continually evolving set of issues. We have developed and updated

our Plan A sustainability programme with the help of stakeholders in order to address our key social and environmental challenges. This version of Plan A, known as Plan A 2020, was launched in June 2014 and was used to determine the materiality of issues covered in this report. Next year, it will be replaced by a revised set of Plan A commitments, launched alongside this report, see marksandspencer.com/plana

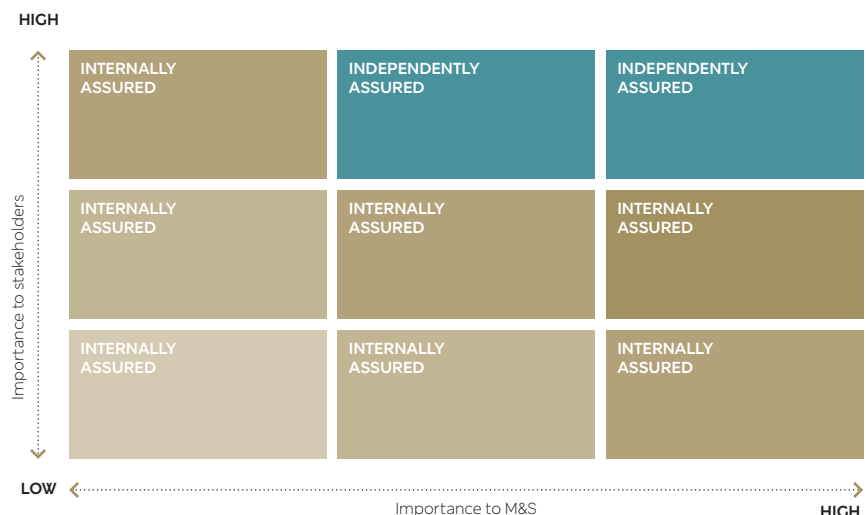
For this report, existing Plan A 2020 commitments were assessed for materiality by M&S management, which ranked them in terms of their 'importance to stakeholders' and 'importance to M&S' on a 3 x 3 matrix. The positions on the matrix were then reviewed and amended as necessary, in accordance with direction from our independent assurance provider, DNV GL. Thirty six commitments and five additional indicators were rated as being of 'high importance to stakeholders' and either 'high or medium importance to M&S' (see below). DNV GL has been commissioned to provide independent assurance on these commitments using its proprietary VeriSustain standard, which is aligned with the principles and concepts of GRI guidelines, AA1000 AS and ISAE 3000. These are, denoted by ** in the performance section of this report. See the assurance statement on pages 44 and 45. All other commitments were subject to review and assurance provided by the Marks & Spencer Internal Audit team.

You can find further information on our social, environmental and ethical policies at marksandspencer.com/plana

M&S ANNUAL REPORTS

Our 2017 Annual Report contains a comprehensive review of our financial performance and governance. It's published online, along with this report. Both reports can be downloaded in PDF, large font and sound versions at corporate.marksandspencer.com/investors

MATERIALITY – WHICH COMMITMENTS ARE MOST IMPORTANT?



ABOUT PLAN A

GOVERNANCE

This year marks an important transition to the next phase in M&S's history, which will be supported by a re-energised and renewed version of Plan A. I'm delighted that this will bring the relevance of Plan A direct to our customers.



ROBERT SWANNELL CHAIRMAN

MANAGING PLAN A

In 2017, we introduced a revised governance structure and a reconstituted Plan A Committee chaired by Patrick Bousquet-Chavanne, Executive Director, Customer, Marketing and M&S.com. The Plan A Committee will identify ways in which Plan A can create greater value, manage associated risks, develop our Plan A Strategy, and support key individuals as they progress Plan A in their respective parts of the business. Before the launch of the revised version of Plan A, the Committee met around once a month, but will meet quarterly from now on. Its work is supported by a Steering Group on Human Rights. The Chair of the Plan A Committee will formally update the CEO and full Board at least once a year.

Our Director of Sustainable Business, Mike Barry, works together with a small team, comprising social, environmental and ethical specialists, to support all Plan A governance activities. This team focuses on developing policies and solutions, building stakeholder relationships and managing risks.

INTEGRATING PLAN A

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

Many of our employees, including Executive Directors and Operating Committee members, have Plan A performance targets, and all employees who deal directly with product suppliers are trained in responsible buying techniques.

MANAGING SOCIAL, ENVIRONMENTAL AND ETHICAL RISKS

The full Board completes a Group Risk Profile every six months. Details of our

approach to risk management and a list of our Principal Risks and Uncertainties are included in our 2017 Annual Report. With regards to Plan A, only 'Corporate Responsibility' – our ability to meet stakeholder expectations across a broad range of social, environmental and ethical concerns – is considered to fall into the Principal Risks and Uncertainties category. Other long-term social and environmental risks, such as climate change, are assessed separately, but at present are only considered to be contributory factors to wider business risks related to reputation and supply chain continuity. With regards to climate change, we are waiting for the (IPCC) Intergovernmental Panel on Climate Change's planned publication on the likely impacts of a 1.5°C rise in average global temperatures, which is planned to be published this year (2017). Until consensus on the likely impacts and timescales for 1.5°C and 2°C scenarios are published, it is difficult for M&S to provide anything more than a generalised response.

We developed our Plan A 2020 commitments to address our principal social and environmental risks. They have also been assessed against the materiality matrix published on page 35. All commitments are assured and the most important ones have been subject to external assurance, denoted by **.

CERTIFIED INTERNATIONAL SOCIAL, ENVIRONMENTAL AND ETHICAL STANDARDS

Like most other major retailers, we use our own, internally developed systems to keep pace in a fast-moving industry. These cover training, health & safety, environmental performance and quality. In April 2016, we re-certified to the ISO 50001 Energy Management standard for our stores in the UK and ROI. We've also followed a number of best practice standards in preparing this report (see About this Report for more details).

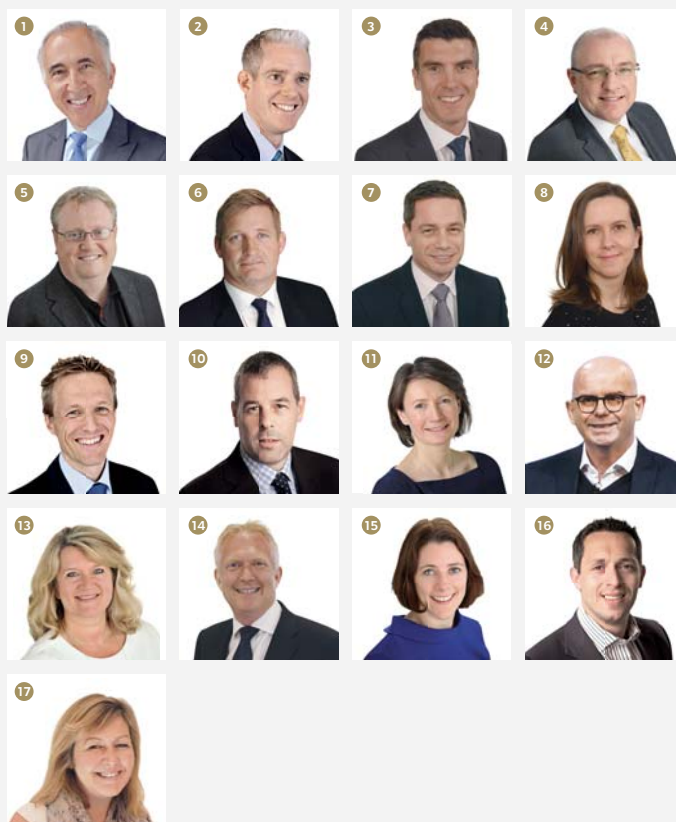
We regularly revise our Code of Ethics and Anti-Bribery Policy. Any breaches are reported to the Audit Committee.

PLAN A RISK PROFILE 2017

Details of our Principal Risks and Uncertainties are included in our 2017 Annual Report. Here, we summarise the key changes to our social and environmental risks during the past 12 months:

- For M&S, overall sustainability risks remained broadly unchanged, with our actions through Plan A continuing to mitigate these risks.
- New and emerging risks have been identified and incorporated into our new Plan A commitments, which provide additional forms of mitigation.
- Corporate Responsibility – our ability to meet stakeholder expectations across a broad range of social, environmental and ethical concerns – is considered as a Principal Risk and Uncertainty.
- The UK's decision to leave the European Union and the changes associated with this decision, have created significant social and environmental uncertainties, as well as wider product sourcing uncertainties.
- The need for greater social cohesion and inclusivity has also come to fore following the UK's referendum on the European Union in June 2016.
- In the retail and branded clothing sectors, there are ongoing civil society and policymaker concerns about supply chain management and transparency, which are reflected in domestic legislation such as the Modern Slavery Act and Supplier Payment Regulations and in a growing number of human rights benchmarking initiatives.
- The past 12 months have seen a continued focus on the issue of food waste along with growing concerns about the disposal and recycling of plastic.

PLAN A COMMITTEE AS OF APRIL 2017



- 1 Patrick Bousquet-Chavanne**
Executive Director of Customer, Marketing and M&S.com
- 2 Mike Barry**
Director of Sustainable Business
- 3 Steven Bennett**
Director of Property UK and International
- 4 Carl Dawson**
Director of IT
- 5 Ricky Wilson**
Head of Operations, M&S.com
- 6 Dominic Fry**
Director of Communications
- 7 Paul Burns**
Director of Clothing & Home Logistics
- 8 Madja Rainer**
Director of Finance, Food
- 9 Rob Weston**
Director of Brand and Marketing
- 10 Paul Willgoss**
Director of Technology, Food
- 11 Amanda Mellor**
Company Secretary
- 12 David Binns**
Head of Menswear Buying
- 13 Simone Haywood**
Head of Talent
- 14 Peter Line**
Head of Retail Operations
- 15 Carmel McQuaid**
Head of Sustainable Business
- 16 Adam Elman**
Head of Global Delivery – Plan A (and Secretary)
- 17 Louise Nicholls**
Corporate Head of Human Rights, Food Sustainability & Packaging

SUSTAINABLE RETAIL ADVISORY BOARD



The external Sustainable Retail Advisory Board is jointly chaired by our CEO, Steve Rowe, and Founder Director of Forum for the Future, Jonathon Porritt. The Board meets every six months.

- 1 Steve Rowe**
M&S CEO (Co-Chair)
- 2 Jonathon Porritt**
Founding Director, Forum for the Future (Co-Chair)
- 3 Patrick Bousquet-Chavanne**
Executive Director of Customer, Marketing and M&S.com
- 4 Aron Cramer**
President and CEO BSR
- 5 Mark Colding**
CEO, Oxfam GB
- 6 David Nussbaum**
CEO, WWF UK (to 9/17) and The Elders
- 7 Nick Moakes**
Managing Partner, Wellcome Trust
- 8 Peggy Liu**
Chair of Joint US-China Collaboration on Clean Energy
- 9 Joanna Lumley**
Worldwide Ambassador of Plan A
- 10 Alison Brittain**
CEO, Whitbread plc/
M&S Non-Executive Director
- 11 Dr Fiona Adshead**
Chief Wellbeing Officer, BUPA

ABOUT PLAN A

STAKEHOLDER RELATIONSHIPS

Effective relationships are at the heart of Plan A. This table highlights our engagement with different stakeholders during the past 12 months.

OUR STAKEHOLDERS	HOW WE LISTEN	WHAT THEY'VE TOLD US	WHAT WE DID
Customers	<ul style="list-style-type: none"> → Monitoring sales of products → Participation in Plan A activities and campaigns → Contacts to our Retail Customer Services → Feedback through our Plan A email → Customer research panels → Social media 	<p>Some of our customers participate in Plan A activities.</p> <p>The majority regard Plan A as an important part of the M&S brand alongside other considerations such as quality and value.</p>	<p>We continued our Spark Something Good projects, clothing recycling (Shwopping) and fundraising for Breast Cancer Now and Macmillan Cancer Support. Our new Plan A commitments have a strong customer focus.</p>
Employees	<ul style="list-style-type: none"> → Plan A Champions → Business Involvement Groups → Feedback through our Plan A email → Annual Your Say survey → Participation in Plan A activities and campaigns 	<p>Our employees would like more opportunities to become involved in Plan A and to work with a greater number of local community projects on social issues and in particular, reducing food waste.</p>	<p>We've continued to build on our partnership with Neighbourly, which allows our stores to engage with local causes. We also included new plans in our revised version of Plan A, launched alongside this report.</p>
Shareholders	<ul style="list-style-type: none"> → Annual General Meeting → Meetings with institutional investors → Survey of institutional investors → Ethical investment surveys 	<p>In December 2016, the Financial Stability Board (FSB) published draft proposals concerning company reporting on climate change and in February 2017 the London Stock Exchange Group (LSEG) issued guidance on Environmental Social and Governance Reporting.</p>	<p>We're considering how best to respond to the FSB proposals, which require very long-term consideration of climate impacts that are currently uncertain. The LSEG guidance, however, is largely met by existing indicators contained in this report.</p>
Suppliers	<ul style="list-style-type: none"> → Supplier conferences → Tendering processes → Supplier Exchange website and network → Visits and meetings → Agricultural shows 	<p>Our suppliers continue to work closely with us on Plan A, in particular our Global Community Programme and new Global Sourcing Principles.</p>	<p>We use our Supplier Exchange network, conferences and workshops to develop and communicate best practices.</p>
Government and regulators	<ul style="list-style-type: none"> → Meetings → Dialogues with trade associations → Responses to consultations → Plan A stakeholder conferences 	<p>Since June 2016, UK policymakers have been focused on the process for the UK to leave the EU, but have recently launched consultations on the long-term industrial strategy of the UK and 25-year environment and food plans.</p>	<p>We've responded to these consultations, highlighting the need for a low-carbon, circular economy with high standards of social and environmental regulation.</p>
Non-governmental organisations (such as WWF, Oxfam, RSPCA, Greenpeace, Friends of the Earth and the UK Green Building Council)	<ul style="list-style-type: none"> → Visits and meetings → Participation in benchmarking and surveys → Joint projects → Plan A stakeholder conference → Globescan opinion survey 	<p>Since June 2016, UK NGOs have been focused on the possible implications of the UK leaving the EU. They've also voiced concerns about the UK's commitment to the UN Sustainable Development Goals (SDGs).</p>	<p>We've continued to support the case for a low-carbon, circular economy with high standards of social and environmental regulation. We also reviewed how our own Plan A commitments can support the SDGs.</p>

Your views

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

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

ABOUT PLAN A

PLAN A: A FORCE FOR GOOD



JONATHON PORRITT
FOUNDING DIRECTOR, FORUM FOR THE FUTURE



Over the last ten years, Plan A has established itself as one of the most highly respected corporate sustainability initiatives anywhere in the world. Not just because it's properly 'joined-up' (as in engaging the whole business, across a very wide range of environmental, social and economic issues), but because it's been hugely influential in driving real behaviour change across the company.

As to the year-end result, there's some disappointment (on the part of both the Sustainable Retail Advisory Board and M&S colleagues themselves) that there are rather more targets that are either 'Behind' or 'Not achieved' at the end of this tenth year. It's been another full-on trading year for M&S, to be sure, with a lot of front-line staff responsible for Plan A targets under a huge amount of pressure, and there are good reasons for the delays. But maintaining momentum, through thick and thin, remains a critical part of keeping everyone involved in sustainability journeys of this kind.

That said, what really matters in this report is performance across the entire ten-year cycle. And on that score, M&S investors, customers, partners and stakeholders should feel well-pleased. The so-called 'negative externalities' (emissions, waste, pollution and so on) have all been significantly reduced, and the long, wide-ranging list of positive impacts (on communities, staff, charities and so on) is hugely impressive. By any standards, M&S has demonstrated what it really means to be a 'force for good' in a world that is crying out for leadership from the corporate sector.

Ironically, the one group of people who are almost completely unsighted on this are M&S customers themselves – perhaps the most important group of all! They do, of course, take it for granted that M&S is 'doing the right thing', because of the company's values and unique heritage. But a survey done in 2016 of M&S customers demonstrated that levels of awareness about Plan A itself, in terms of its operations both here in the UK and through its supply chain, was almost non-existent.

We have to hope that this is now about to change! Everything that Plan A stands for has now been 'embedded' in the new M&S Masterbrand, and will be brought to life for customers in an unprecedented way through the rest of 2017.

Why is this so important? To achieve wider societal change, UK citizens need to see positive environmental and social change going on all around them – on the High Street, in their favourite stores, in the workplace, in their communities. Positive reinforcement at every turn. M&S is already a powerful presence on the High Street, but is now intent (through Plan A 2025, the next iteration of Plan A) to make an even more positive impact over the next few years.

Things change so fast these days that it's hard to imagine what kind of world we'll be living in by 2025! But some things will be unchanged. Climate change, for instance, will be disrupting our lives even more damagingly – ensuring that M&S's leadership here (as the world's only major retailer today that is carbon neutral, and has been for the last four years) will be all the more admired. And you can guarantee that the leadership that M&S is recognised for right now (on employability, disability,

community investment, supply chain management, traceability, human rights, volunteering, zero waste to landfill, support for charities and so on) will be needed more than ever.

Because M&S is the business it is, as one of the most trusted companies in the world, expectations around Plan A have always been correspondingly high. The challenge ahead is therefore pretty daunting, but at this moment the most important thing is to recognise the first ten years of Plan A as a remarkable success story.

JONATHON PORRITT
FOUNDING DIRECTOR, FORUM FOR THE FUTURE
www.forumforthefuture.org

ABOUT PLAN A

INDEPENDENT RECOGNITION

Since launching Plan A in 2007, our performance has been recognised by over 240 awards. Here are some of the highlights.

2016/17

Third Sector Business Charity Award: **2016 Marketing initiative of the year (partnership with Breast Cancer Now)**

National Association of Convenience Stores Awards: **2016 Winner Insight International Convenience Retail Sustainability**

WWF Palm Oil Buyers Scorecard: **2016 – 9 out of 9**

Corporate and Financial Awards: **2016 Silver Best Sustainability campaign (2016 Plan A Report)**

Carbonclear reporting on carbon emissions: **2016 Top Retail Performer (2nd overall)**

Forest 500: **2016 Leader (best retailer)**

Forest Footprint Disclosure Project: **2016 Best General Retail Sector Performer**

Corporate Knights: **2017 Global 100 Most Sustainable Corporations in the World**

Ethisphere: **2017 World's Most Responsible Companies**

Inaugural Corporate Human Rights Benchmark: **2017 Top Band, Best Retailer, second overall**

The Times: **2017 Top 50 Employers for Women (seventh year running)**

Business Benchmark on Farm Animal Welfare: **2017 Top tier (leadership)**

Fashion Revolution Transparency Index: **2017 Second overall**

National CSR Awards: **2017 Winner for Green Supply Chain in partnership with WWF-UK**

Corporate Register Reporting Awards 2017: **Best overall Global Sustainability Report (2016 Plan A Report)**

Corporate Register Reporting Awards 2017: **Best Global Sustainability Report for openness and honesty (2016 Plan A Report)**

10-YEAR AWARD HIGHLIGHTS

Better Society Awards: **2016 Best carbon reduction/offsetting programme**

Freight Transport Association: **2016 Multimodal Award for contribution to environmental sustainability**

Corporate Register Reporting Awards 2016: **Best overall Global Sustainability Report (2015 Plan A Report)**

Corporate Register Reporting Awards 2016: **Best Global Sustainability Report for openness and honesty (2015 Plan A Report)**

The Hong Kong Council of Social Service Award: **2015/16 Ten years + Caring Company**

Mayor of London Business Energy Awards: **2015 Retail Leader**

edie Sustainability Leaders Awards: **2015 Winner sustainability reporting**

Carbonclear reporting on carbon emissions: **2011–2015 Top Company**

Packaging Europe Awards: **2015 Sustainable Retailer**

C&E Corporate-NGO partnership barometer: **2015 Most Admired Partnering Company (6th year running)**

C&E Corporate-NGO partnership barometer: **2015 Most Admired Corporate Partnership (M&S and Oxfam – 6th year running)**

Guardian Sustainable Business Awards: **2015 Natural Capital Impact**

National CSR Awards: **2015 Overall Excellence in CSR**

National CSR Awards: **2015 Special Judges Recognition for Legacy**

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

Building Magazine Awards: **2015 Test of Time for Cheshire Oaks with Simons**

Great Places to Work Institute India: **2015 Top 10 Best Companies to Work for in the Retail Industry in India**

Business in the Community Ireland: **2016 Working Responsibly Mark**

Business Charity Awards: **2014 Employment Scheme (Make Your Mark)**

Business in the Community Northern Ireland: **2014 Platinum Arena Network Benchmarking Survey Award**

Britain's most admired companies: **2014 Community & Environmental Responsibility Winner**

Ethical Consumer: **2014 Joint-winner Most Ethical Supermarkets**

Business Charity Awards: **2014 Overseas Project (UNICEF)**

Golden Peacock Global Award: **2014 Sustainability**

European Business Awards for the Environment: **2014 National Champion**

Business in the Community Awards for Excellence: **2012 Responsible Business of the Year**

World Retail Award: **2012 Joint-Winner for Responsible Retailer of the Year**

Retail Week Awards: **2013 Best CSR Initiative (Shwopping)**

The Guardian Sustainable Business Awards: **2012 Supply Chain**

PR Week Awards: **2012 Consumer Marketing Communications (Shwopping)**

PEA Business Awards: **2013 Construction and building (Cheshire Oaks)**

Which?: **2013 Most Trusted Brand Award**



Golden Peacock Global Award:
2013 Corporate Social Responsibility

Carbon Trust Standard: **2014 Carbon**

Carbon Trust Standard: **2014 Water**

Carbon Trust Standard: **2014 Waste**

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

Letsrecycle.com awards for excellence:
2014 Waste management in the commercial sector (with Helistrat)

World Retail Award: **2011 Winner for CSR**

PwC Building Public Trust Awards: **2011 FTSE 100 Sustainability Reporting Award**

Ipsos MORI CR Experts survey: **2011 Leaders in reporting impacts on society and the environment**

Green Business Awards Green Globes:
2011 Built Environment Award

Cooling Industry Awards: **2011 Retail Project of the Year (refrigeration)**

Management Today Most Admired Companies: **2011 Top for ability to attract, develop and retain talent**

International Green Awards:
2011 Gold Winner for Best Energy efficiency Initiative

People And the Environment (PEA) business Awards: **2012 Retail Award**

Business in the Community Corporate Responsibility Index: **Platinum Plus performer 2011**

New Energy Awards: **2012 Retailer of the Year (for energy efficiency)**

European Business Awards for the Environment: **2012 Award for Management**

British Quality Foundation Awards:
2012 Sustainable Future

Queen's Award for Enterprise:
2012 Sustainable Development

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 CR Experts survey: **2010 'Top of mind' leaders on responsibility**

Ipsos MORI CR Experts survey: **2010 Leaders in reporting impacts on society and the environment**

European Supply Chain Excellence Awards: **2010 Environmental Improvement (in partnership with DHL)**

ICSA Hermes Transparency in Governance Awards: **2010 Best sustainability and stakeholder disclosure**

Business in the Community Corporate Responsibility Index: **Platinum Plus performer 2011**

The Marketing Week Engage Awards:
2011 Retail Award (for Plan A)

Business in the Community Awards for Excellence: **2011 Responsible Supply Chain**

National Recycling Awards:
2011 Retail Recycler



FRAMEWORKS & ASSURANCE

FRAMEWORKS

GLOBAL REPORTING INITIATIVE STANDARDS CONTENT INDEX

In October 2016, the UN Global Sustainability Standards Board introduced new GRI Sustainability Reporting Standards to replace the previous G4 version by July 2018.

Since we launched the Plan A sustainability programme in 2007, our reporting has been based on our own assessment of materiality used to create Plan A with GRI as a secondary index.

We've taken the same approach with GRI Standards and this report is GRI-referenced. We have retained a content Index to assist those who wish to use this report for benchmarking purposes.

GRI REFERENCED DISCLOSURES	GRI STANDARDS	INCLUSION	PAGE	GRI REFERENCED DISCLOSURES	GRI STANDARDS	INCLUSION	PAGE
102: GENERAL DISCLOSURES 2016	1, 4, 6, 7, 9, 16	Yes	IFC	306: EFFLUENTS AND WASTE	2	Yes	21
	14	Yes	01	307: ENVIRONMENTAL COMPLIANCE	1	Yes	35
	2, 25, 28, 35, 36, 37, 45	Yes	AR	308: SUPPLIER ENVIRONMENTAL ASSESSMENT	1, 2	Yes	29–32
	3, 40, 42, 43, 44, 53	Yes	38	401: EMPLOYMENT	2	Yes	W
	8, 10	Partial	23	402: LABOUR MANAGEMENT	1	Yes	W
	5, 11, 12, 13, 15, 26, 27, 46, 47, 48, 49, 50, 51, 52	Yes	34–36	403: OCCUPATIONAL HEALTH & SAFETY	1, 4	Yes	W
	17, 41	Yes	W		2	Yes	27
	18, 19, 20, 21, 22, 23, 24, 29, 30, 31, 32, 33, 34	Yes	36–37	404: TRAINING AND EDUCATION	1, 2	Yes	26
	55	Yes	42		3	Yes	W
	56	Yes	44–45	405: DIVERSITY AND EQUAL OPPORTUNITY	1	Yes	24
MATERIAL TOPICS IN PLAN A ADDITIONAL TO GRI	Transparency	Yes	14	406: NON-DISCRIMINATION	1	Partial	29
	Healthy food	Yes	15	407: FREEDOM OF ASSOCIATION	1	Partial	29
	Sustainable buildings	Yes	22	408: CHILD LABOUR	1	Yes	29
	Employability	Yes	25	409: FORCED LABOUR	1	Yes	29
103: MANAGEMENT APPROACH	1, 2, 3	Yes	34–36	413: LOCAL COMMUNITIES	1	Yes	27–28
201: ECONOMIC PERFORMANCE	1, 2, 3, 4	Yes	AR	414: SUPPLIER SOCIAL ASSESSMENT	1, 2	Yes	29, 32
202: MARKET PRESENCE	2	Yes	W	415: POLITICAL DONATIONS	1	Yes	AR
301: MATERIALS	1, 2, 3	Partial	21–22	416: CUSTOMER HEALTH & SAFETY	1	Yes	15
302: ENERGY	1, 3, 4	Yes	18 (937CWh)	417: MARKETING AND LABELLING	1	Partial	15–16
	2, 5	Yes	W				
303: WATER	1	Yes	22				
304: BIODIVERSITY	2	Yes	30, 31, 33				
305: EMISSIONS	1, 2, 3, 4, 5, 6	Yes	17–18				
	3	Yes	W				

UNITED NATIONS GLOBAL COMPACT REFERENCE TABLE

In May 2016, M&S became a signatory to the United Nations Global Compact, a set of ten principles covering Human Rights, the environment and ethical behaviour. This table shows where you can find the relevant content either in this report or in our Human Rights report, which is published alongside it.



	PRINCIPLE	PAGE
HUMAN RIGHTS	1. Businesses should support and respect the protection of internationally proclaimed Human Rights; and	H
	2. make sure that they are not complicit in Human Rights abuses.	H
LABOUR	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	H
	4. the elimination of all forms of forced and compulsory labour;	H
	5. the effective abolition of child labour; and	H
	6. the elimination of discrimination in respect of employment and occupation	24, H
ENVIRONMENT	7. Businesses should support a precautionary approach to environmental challenges;	17–23
	8. undertake initiatives to promote greater environmental responsibility; and	17–23
	9. encourage the development and diffusion of environmentally friendly technologies.	17–23
ANTI-CORRUPTION	10. Businesses should work against corruption in all its forms, including extortion and bribery.	29, 36

H: Human Rights Report

PLAN A AND THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The United Nations Sustainable Development Goals, often referred to as the Global Goals, were launched in 2015.

The Global Goals set out 17 global ambitions to improve the quality of life and our environment by 2030. To meet the needs of any of our stakeholders with an interest in seeing how Plan A commitments support the Goals, we've included referencing on key pages of the report.

In our supply chains many Plan A activities address several Goals together as part of an overall approach.



		PAGE
ECONOMIC	 	14
ENVIRONMENTAL	   	17
SOCIAL	    	24
SUPPLY CHAIN	          	29

FRAMEWORKS & ASSURANCE

INDEPENDENT ASSURANCE STATEMENT

To the management of Marks and Spencer Group plc

SCOPE AND APPROACH

Marks and Spencer plc ("M&S") commissioned DNV GL Business Assurance Services UK Limited ("DNV GL") to undertake independent assurance of its Plan A Report 2017 (the "Report") for the 52 weeks ended 1 April 2017.

We performed our work using DNV GL's assurance methodology VeriSustain™, which is based on our professional experience, international assurance best practice including the AA1000 Assurance Standard, International Standard on Assurance Engagements 3000 (ISAE 3000), and the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines. We evaluated the Report for adherence to the VeriSustain™ Principles (the "Principles") of stakeholder inclusiveness, materiality, responsiveness, completeness, neutrality and reliability.

We evaluated the 36 highly material Plan A commitments and 5 indicators, annotated with '**' in the Report (the "Selected Performance Information"), using the reliability principle for how the data are measured, recorded and reported.

We understand that the reported financial data and information are based on data from M&S Annual Report & Financial Statements 2017 (the "Annual Report"), which is subject to a separate independent audit process. The review of financial data taken from the Annual Report is not within the scope of our work.

We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our assurance opinion. We are providing a 'limited level' of assurance. A 'reasonable level' of assurance would have required additional work at corporate and site level to gain further evidence to support the basis of our assurance opinion.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND MANAGEMENT OF M&S AND OF THE ASSURANCE PROVIDERS

The Management of M&S have sole responsibility for the preparation of the Report. In performing our assurance work, our responsibility is to the management of M&S; however our statement represents our independent opinion and is intended to inform all M&S stakeholders. DNV GL was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement.

This is the second year that we have provided assurance of the Report. DNV GL does not provide any other services to M&S which constitute a conflict of interest with this assurance work.

DNV GL's assurance engagements are based on the assumption that the data and information provided by the client to us as part of our review have been provided in good faith. DNV GL expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement.

INDEPENDENCE

DNV GL's established policies and procedures are designed to ensure that DNV GL, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV GL) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals.

BASIS OF OUR OPINION

A multi-disciplinary team of sustainability and assurance specialists performed work at M&S Head Office.

We undertook the following activities:

→ Review of the current sustainability issues that could affect M&S and are of interest to stakeholders via a desktop media, industry, and peer review;

→ Review of M&S approach to stakeholder engagement and recent outputs;

→ Review of information provided to us by M&S on its reporting and management processes relating to the Principles;

→ Interviews with selected senior managers responsible for Plan A strategy and delivery and review of selected evidence to support issues discussed;

→ Interviews with content and data owners and review of progress made in relation to the 36 selected Plan A commitments and five indicators, annotated with '**' in the Report, and review of how related data is measured, recorded and reported using the reliability principle together with M&S data protocols, these commitments and indicators were selected based on materiality at a consolidated corporate level;

→ Visits to the Head Office in London, United Kingdom to review process and systems for preparing site level key performance data, sample source data and check implementation of Plan A and key initiatives; and

→ Review of the processes for gathering and consolidating the specified key performance data and, for a sample, checking the data consolidation.

OPINION

On the basis of the work undertaken, nothing came to our attention to suggest that the Report does not properly describe M&S adherence to the Principles. In terms of reliability of the Selected Performance Information, nothing came to our attention to suggest that this information has not been properly collated from information reported at operational level, nor that the assumptions used were inappropriate.

OBSERVATIONS

Without affecting our assurance opinion, we also provide the following observations.

M&S Plan A reporting is extensive, covering over one hundred commitments and data indicators. This report marks the end of the Plan A 2020 era, and the launch of Plan A 2025, which builds on the current Plan A ambition and places a greater focus on the customer under the three priorities of wellbeing, improving communities and preventing waste.

Another notable event in the reporting period was a reorganisation at M&S Head Office, which poses a risk that important technical and analytical capacity is lost. This capacity is instrumental to the rigour of processes and knowledge for collation and preparation of Plan A commitments performance data. As this is an important aspect of maintaining the credibility of disclosures and managing progress, we recommend that M&S considers re-building this technical and analytical capacity to help meet the new Plan A 2025 commitments.

Stakeholder inclusiveness

The participation of stakeholders in developing and achieving an accountable and strategic response to sustainability.

We saw a good level of stakeholder engagement and inclusiveness related to the Plan A commitments and day-to-day business activities at corporate level. The engagement considers the views of a wide range of internal and external stakeholders, and is disclosed in the Report through examples and case studies. Some examples include the property suppliers conference on Human Rights and Modern Slavery (See Ethical assessments of property suppliers), collaborations with WWF, Greenpeace, Sustainable Apparel Coalition and ZDHC towards zero discharges of hazardous chemicals (See Zero hazardous discharges), and the annual global employee 'Your Say' survey with specific questions on Plan A.

Materiality

The process for determining the issues that are most relevant to an organisation and its stakeholders.

M&S has demonstrated a robust and effective process for identifying, prioritising and updating material issues at corporate level, as part of the review of its Plan A. The process considered inputs from a wide range of sources, including the expectations of internal and external stakeholders, megatrends, financial considerations, policies and regulations, corporate and local environments, and overall sustainability context. Particularly, we noted the inclusion of how M&S contributes to the UN 2030 Sustainable Development Goals.

Responsiveness

The extent to which an organisation responds to stakeholder issues.

M&S has developed a comprehensive understanding of its sustainability context and material issues. The Report presents a good overview of how M&S has consulted with a wide range of key stakeholders and has engaged and responded to sustainability issues in line with the Plan A commitments. We recognise the continuation of disclosing a 'Relationships' table highlighting the key stakeholders of M&S, channels of engagement, key concerns expressed and what M&S has done to respond. Examples of responsiveness include launching new healthy food options as a result of consultation with stakeholders (see Promoting Healthy Food), and the launch of the new Modern Slavery Toolkit (see New Global Sourcing Principles).

We acknowledge M&S continuous efforts to ensure the carbon neutrality of its business operations via the use of energy efficiency improvements, carbon offsets, and procurement of renewable electricity. However, this year's performance showed direct emissions (Scope 1) increased for the second year running. We recommend that M&S considers placing greater focus on reducing its Scope 1 emissions first, to minimise any offsetting required.

Completeness

How much of all the information that has been identified as material to the organisation and its stakeholders is reported.

The Report provides a good overview of performance across the organisation, at corporate and operational levels, and includes upstream and downstream impacts of M&S operations and products. The Report covers the organisation's impacts over an extended time frame, including long-term strategic and operational objectives and targets and historic performance on key performance data.

Neutrality

The extent to which the report provides a balanced account of an organisation's performance, delivered in a neutral tone.

The tone in the Report is generally neutral and with no obvious and deliberate intent to unduly influence the reader. The Report discloses both favourable and unfavourable performance data in accordance with the Plan A commitments. We have noted this year a small increase in the number of commitments that have fallen behind. We recommend that M&S provides more commentary on the challenges it faces in areas of less favourable performance, such as Integrated Plan A Marketing, store refrigeration emissions, food waste, customer clothes

recycling and leather tanning and dying. For other areas, such as energy and water efficiency, further progress will become increasingly difficult because of the progress already made and rapid growth of food sales. Therefore, further progress may depend on investment in more innovative approaches and technologies.

Reliability

The accuracy and comparability of information presented in the report, as well as the quality of underlying data management systems.

M&S has well-established processes for compilation of performance data from its operations to corporate level systems. We found a limited number of errors and omissions and these were corrected prior to inclusion in the Report.

The majority of these errors were due to insufficient controls in place to verify compiled data. We reinstate our recommendation that data compiled from various sources, especially when manual processes are involved, are periodically reviewed, checked against source evidence and formally signed-off.

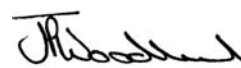
We also reinstate our recommendation that M&S publishes its methodology for collecting, calculating and reporting key performance data to increase transparency and improve readers' understanding of the Plan A commitments.

For and on behalf of DNV GL Business Assurance Services UK Limited

London, UK
8 June 2017



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