

M&S  
EST. 1884



RESETTING PLAN A TO DELIVER A NET ZERO M&S

# SUSTAINABILITY REPORT 2022



## In this report

**3 Overview**

- 3 CEO introduction and view from our ESG Committee
- 6 Our approach to sustainability
- 7 About this report

**8 Stories of the year****20 Sustainable Future**

- 21 Our commitment to net zero
- 23 Our shared mission
- 25 Our roadmap towards net zero
- 26 Reducing waste and emissions
- 32 Delivering change in collaboration

**38 Better Products**

- 39 Our approach to product standards
- 45 Animal welfare
- 49 Health and wellbeing
- 50 Ethical trade and human rights in the supply chain

**57 Remarkable People****61 Community****63 Governance****64 Frameworks and assurance**

- 66 Independent assurance statement





# CEO INTRODUCTION

**WE MUST WORK TOGETHER TO HELP CUSTOMERS ENJOY LOWER CARBON LIVES. THIS MEANS WE NEED TO TRANSFORM HOW WE MAKE, MOVE AND SELL OUR PRODUCTS TO CUSTOMERS AND FUNDAMENTALLY CHANGE THE FUTURE SHAPE OF OUR BUSINESS. TO DELIVER THIS, WE NEED OUR COLLEAGUES TO UNDERSTAND BETTER THE CARBON IMPACT OF OUR PRODUCTS AND PROCESSES AND WE NEED TO BACK OUR SUPPLIERS TO INNOVATE AND ADAPT TO THE CHANGING ENVIRONMENT.**

Steve Rowe, Chief Executive

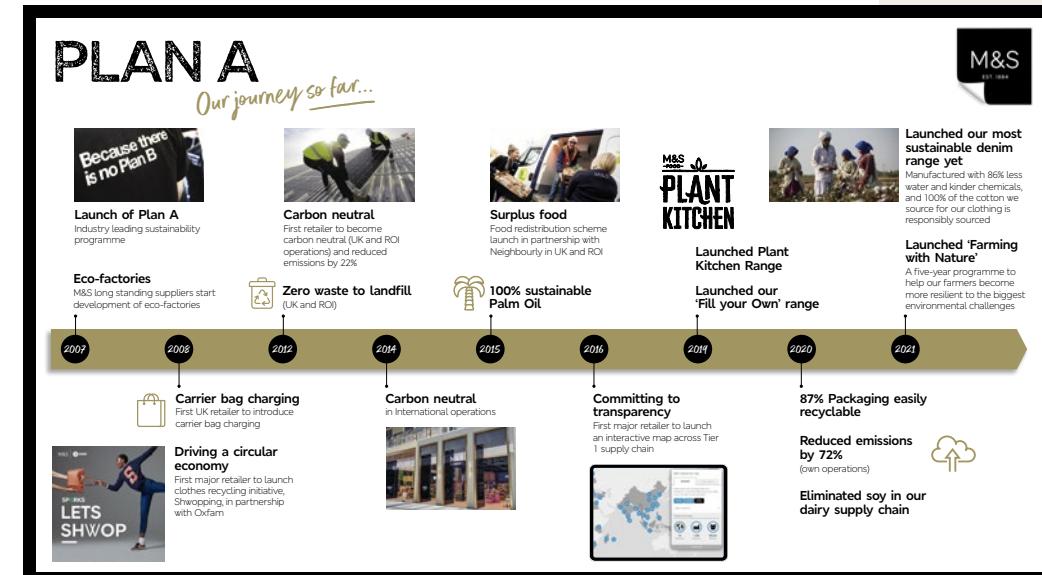


## Welcome to our 2022 Sustainability Report

Welcome to our latest sustainability report, which updates you on the progress we are making to deliver our ambition of sustainable, profitable growth and long-term value creation for all stakeholders. M&S was a pioneer in developing an industry-leading, fully integrated sustainability plan under the "Plan A" banner in 2007 and we've delivered a number of important outcomes since then on our sustainability journey. I would like to thank my colleagues right across the business for their contribution to deliver improvements over the years. How we integrate and deliver sustainability at M&S evolves constantly to reflect the changing needs in society and our ways of working within the business. During the year, we reinvigorated Plan A and confirmed sustainability as a strategic pillar in our company purpose as we move to the next stage of the transformation.

## Strengthening our commitment to the environment

Climate change is a growing concern for our customers and colleagues, and this was amplified further as awareness levels increased with COP26 held in the UK. To reflect the climate emergency we all face, we reset Plan A with a singular focus on becoming a net zero business across all our operations and our entire value chain by 2040. We've set interim targets for 2025, 2030 and 2035, and a clear roadmap which identifies the immediate priority areas for our journey to net zero.



*View our  
journey so  
far online...*

The scale of the climate change challenge can seem daunting, but we know a better future is possible because, together with our colleagues, trusted supplier partners and wider industry collaborations, we have already made change happen.





## CEO INTRODUCTION CONTINUED

Our targets were set to align with the aims of the Paris Climate Agreement to limit global warming to 1.5°C, and we've joined the UN's Race to Zero campaign.

We have set out a clear strategy to deliver against these goals. We know this won't be easy.

We need to transform how we make, move and sell our products to customers and fundamentally change the future shape of our business. We have identified ten immediate priority areas, and all of our actions are underpinned by collaboration. It's crucial to me that this change is driven together with our supplier partners and customers. After all, over 90% of our carbon footprint is attributable to sourcing and manufacturing of our fantastic products.

As an own-brand retailer, one of our biggest strengths is the close relationships we've created with our trusted supplier partners, from farms to factories and I've been

inspired and encouraged by our suppliers' responses so far. I've seen that change at scale is possible. For example, better farming practices in the cotton supply chain are making a significant contribution to emissions reduction and better water stewardship.

### Customers at the heart of our strategy

M&S has a track record of leading positive behaviour change and we know our role is to make sustainability easier and more rewarding for our customers, designing new products and services to help and inspire them to live and enjoy a lower-carbon lifestyle. In practice this means initiatives that make it easier to participate in the circular economy, such as clothes recycling through our Shwopping programme, supporting households to reduce food waste, or giving consumers the power to "look behind the label" with greater transparency over how products are responsibly sourced.

Having confirmed our new Plan A commitment as a strategic priority, we agreed to link our £850m Revolving Credit Facility to the delivery of our net zero goal. These targets span specific metrics associated with our net zero goal across the value chain, including commitments to zero deforestation and sourcing conversion-free soy, sourcing more sustainable fibres, reducing emissions in our property estate, and eliminating millions of units of single use plastic packaging.

We know there are complex connections between environmental impacts and social conditions; as our planet changes, people's homes and livelihoods are at risk, and as we transition to a net zero economy, we can't leave anyone behind.

### Unwavering commitment to people

Accompanying the environmental pillar of our sustainability strategy, our social pillar underscores our continued focus on human rights, health and wellbeing and community investment. Doing the right

thing is a core behaviour in our business. This means doing the right thing by the people who work with and for M&S: treating everyone fairly and with respect, taking a zero tolerance approach to discrimination and unacceptable behaviour, and building long-standing relationships with trusted suppliers so they can be partners in our success.

Our commitment to people is unwavering, and is articulated through our support for the ten principles of the UN Global Compact. In 2021/22, our focus has been on strengthening our standards and reinforcing how we deliver our commitments. Our supplier partnerships are built on open and transparent discussion, with a shared culture of continuous improvement which goes beyond basic legal compliance. During the year, we updated our Global Sourcing Principles which were introduced in 1998, setting out the minimum standards for all our supplier partners. We work continuously with our supplier partners to raise standards and improve working conditions as our business relationships develop. Going further, this year we launched our new Food Human Rights standard and at the same time we expanded the reach of our social audit assessments further down our clothing supply chain. To secure awareness and engagement on the impacts being managed with these policies and audits, we trained all our support centre colleagues on the "People Behind the Product".

Our suppliers are operating in a tough environment, as they work through the Covid-19 recovery, while also navigating both geo-political uncertainty and market-wide inflationary pressures. During the year, we played our part in supporting our supplier partners and advocating for greater support for the most vulnerable people in our supply chains. We actively engaged with multi-stakeholder groups and governments on supply chain challenges in the UK, Kenya, India, Bangladesh and Turkey. These issues are front of mind for our customers and colleagues, as we saw demonstrated in their overwhelmingly generous response

to the events in Ukraine. From the outset of the conflict, our priority was to support colleagues and take meaningful action to provide funds to those in need through our partners at UNICEF and UNHCR.

### Collaborating for change

The global scale and complexity of these challenges means we cannot alone make progress on climate change, human rights or ethical sourcing. We play our part in collaborative movements such as the British Retail Consortium's Climate Action Roadmap, the Consumer Goods Forum's Coalition on Forced Labour/Human Rights, WWF's Retailers Commitment for Nature, Textiles 2030, and Business in the Community's Places Programme. I'm grateful to so many colleagues in these organisations for their collaborative leadership over the last year. I'd also like to thank our long-standing external sustainability adviser, Jonathon Porritt, who has played a vital role as a critical friend over the duration of our Plan A programme.

Doing the right thing by our planet, people and the places we serve is a value that has been core to M&S's culture since its inception. In times of uncertainty, customers will be looking to trusted brands for long-term value, and our family of accountable businesses delivers just that. It has been my privilege to be the steward and shopkeeper of this fantastic business and extraordinary brand at such an important stage in its history. As I pass the baton to the new leadership team, I am proud of what we've achieved in the last year and I know they share my commitment to building a more sustainable future for our customers, colleagues and communities.

Steve Rowe, Chief Executive Officer





# VIEW FROM OUR ESG COMMITTEE

**M&S IS A VERY SPECIAL BUSINESS, WITH LOYAL CUSTOMERS, PASSIONATE, COMMITTED COLLEAGUES AND A WONDERFUL LEGACY OF CARING SERVICE, ENVIRONMENTAL LEADERSHIP AND DEEP-ROOTED COMMUNITY VALUES.**

Tamara Ingram,  
ESG Committee Chair



As the ESG Committee, our role is to provide the additional rigour, support and challenge to ensure our leadership position is upheld and sustainability is at the very heart of M&S's customer proposition. Our clear priority for 2021/22 was to reinvigorate Plan A and put it back at the centre of our customer story.

During the year, we reset Plan A with a singular focus to be a net zero business by 2040. As an own-brand retailer, M&S is uniquely positioned to work with its supplier partners to find better ways of doing business. We developed a multi-stakeholder plan spanning customers, colleagues and suppliers to deliver on this target. I thank Steve for his consistent leadership to anchor this plan in the core of our purpose as the business moves to the next stage of transformation.

The Committee felt strongly that customer insights should shape and influence the sustainability strategy. I'm pleased that we were able to reflect the concerns identified in the new Family Matters Index and quarterly report. It has also been encouraging to see new propositions this year, including clothes rental with Hiresstreet (see [page 10](#)), and the Sparking Change Challenge (see [page 11](#)) exploring plant-based protein and food waste reduction. These types of initiatives – making sustainability easier for customers – will become increasingly vital in the next few years.

Looking ahead, we have more to do to communicate our sustainability credentials to our customers and to shift perception with consumers who don't currently shop with M&S, embedding this messaging within the store environment and during the online shopping experience. With the return of M&S's iconic "Look Behind the Label" campaign, we now have a platform to share the sustainability credentials of our products with customers, especially Sparks members. The Family Matters Index

will play an important role in ensuring our customer engagement approach is relevant, particularly in the year ahead as we know concerns about the cost of living will increase.

We believe that wider sustainability concerns are here to stay, resulting in opportunities for our brand to enter new markets. Through our deep customer relationships with Sparks, our long-standing trusted supplier partners and our portfolio of innovation partners, we are well placed to develop customer propositions in circular fashion and low-impact farming.

We recognise we must never be complacent. The world is unpredictable, complex and changing fast, and we need to challenge ourselves to be on the front foot in tackling relevant sustainability topics, and in responding to consumer expectations.



Tamara Ingram, ESG Committee Chair

## Discovering what matters to families

In 2021, we launched our quarterly Family Matters Index, designed to help us to understand the priorities, challenges and ambitions of families across the UK and how they change over time.

Each quarter, the Index gives insight into how confident and resilient families are feeling; what family means and why it matters in today's world; and, what issues are priorities for families right now.

Our third quarterly update was released in February 2022, based on responses from 5,000 people.

Key findings

65%  
of participants are concerned about their family's impact on the environment

53%

are planning a lifestyle change

41%

have made changes to the food they buy

60%

are making more effort to educate themselves about their environmental impact as a consumer

Read more in the February 2022 M&S Family Index Report [here](#) →

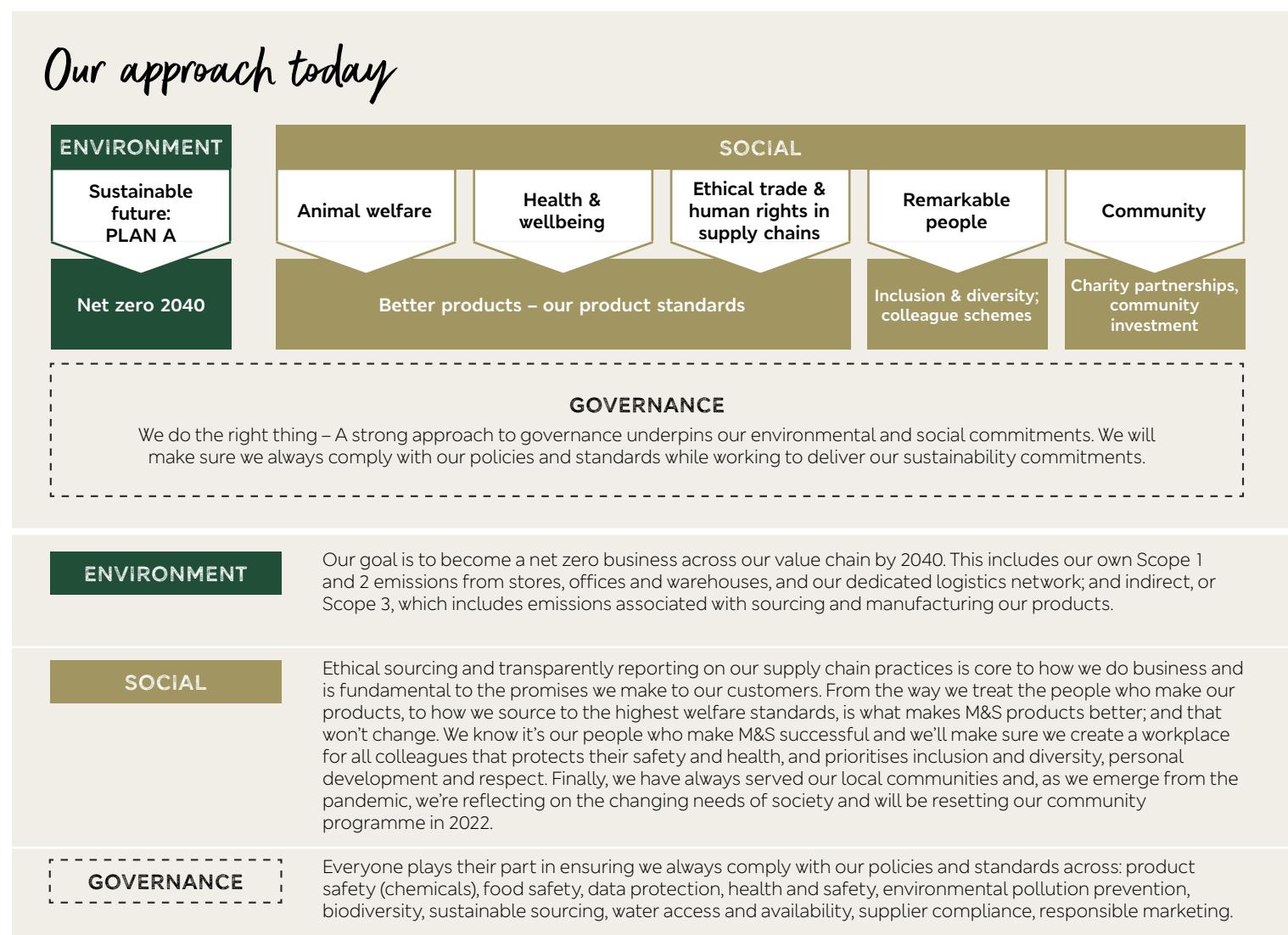


# OUR APPROACH TO SUSTAINABILITY

As a business that's been around for 138 years, we know how important it is to look to the future. We know that caring about our impact on the world today and in the future is good business. We launched Plan A, our industry-leading sustainability programme, 15 years ago in 2007.

We've reinvigorated our approach to sustainability this year as part of our business transformation programme to restore the M&S business and brand to deliver long-term, sustainable, profitable growth for our investors, colleagues and wider communities.

You can view our journey so far with sustainability here →





# ABOUT THIS REPORT

This is our sustainability report for 2021/22. It was published in June 2022 and covers our financial year from 4th April 2021 to 2nd April 2022.

The report has been designed to provide additional detail on our approach to sustainable business. It supplements our 2022 Annual Report and Accounts and also directs stakeholders to additional, more detailed information on environmental, social and ethical topics on our [corporate website](#).

This report covers the scope of our sustainability programme (see [page 6](#)) which was reviewed by our Executive Committee and ESG Committee in 2021. Part of this review included commissioning an independent benchmark of our performance on the most material issues for a food and clothing & home retailer. We plan to conduct a formal materiality assessment during financial year 2022/23.

This year, we have altered the structure of the report in line with our approach today (see [page 6](#)) and our reset of Plan A to focus on achieving a net zero Marks & Spencer by 2040 (see [page 21](#)).

The assurance statement from our assurers, DNV, can be found on [page 66](#). A small number of metrics have been selected for external assurance. Where data has been independently assured, this is denoted by \*\*.

This report includes information relating to M&S-operated locations and activities, including our owned operations in Czech Republic and Greece, our joint venture partnership in India, and M&S products sold worldwide. It excludes information relating to our business partners, franchisees and Ocado Retail.

## Scope of data

Most of the data and statements in this update relate to our most recent financial year (2021/22) and the previous financial year (2020/21). The impact of Covid-19 in 2020/21 renders comparisons to the prior year less meaningful. To aid understanding, we have included reference to baseline years which are earlier than 2020/21. Percentage change and summed figures in this report may not align precisely to the figures provided in data tables due to rounding.

Greenhouse gas emissions for 2021/22 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 the UK Government's Department for Business, Energy and Industrial Strategy (BEIS) 2021. For International electricity, September 2021 IEA Scope 2 factors have been used. Additional refrigeration gases are drawn from the latest Bitzer Refrigerant Report (issue 21).

Renewable electricity tariffs have been calculated in accordance with the March 2015 WRI/WBCSD GHG Scope 2 Guidance on procured renewable energy to show a market-based method figure alongside the legally mandated location-based method data.

**For detail on how the data in this report has been prepared, please review our Basis of Reporting document here →**

## Net zero targets

In 2021 Net zero targets In 2021, we reset Plan A with a new ambition to achieve net zero across our entire value chain by 2040. This reflects the fact that around 97% of our carbon footprint comes from our value chain.

As an own-brand retailer, focusing on reducing Scope 3 emissions is a key contribution that we can make by working closely with our supply base. We have submitted our new near-term company-wide emission reduction target in line with climate science to the Science Based Targets initiative (SBTi). We are awaiting approval of SBTi of our new near-term target.

Aligned to the guidance from SBTi, we have revised our emissions baseline to financial year 2016/17 for Scope 1, 2 and 3 emissions. Our previous baseline was 2006/07, and some of the data tables in this report show performance against both our new baseline and historical baseline to enable comparison.

## Reporting standards

Our annual reporting references a range of widely recognised sustainability frameworks and disclosures, as shown in the reference table on [page 65](#). These include the Global Reporting Initiative (GRI) Sustainability Reporting Standards, Sustainability Accounting Standards Board (SASB), UN Global Compact and, in our Annual Report, the Task Force on Climate-related Financial Disclosures (TCFD).

**Our Modern Slavery Statement is published here →**

As a signatory to the United Nations Global Compact, this report forms part of our Communication on Progress.

We also reference the UN Sustainable Development Goals (SDGs) (see page As a signatory to the United Nations Global Compact, this report forms part of our Communication on Progress. We also reference the UN Sustainable Development Goals (SDGs) (see [page 64](#)).

In the year ahead we will be completing a full review of material sustainability topics and disclosures that will reflect the evolving reporting landscape. This will include updating our materiality assessment and implementing recommendations from the human rights review we conducted in 2021/22.

## Stakeholders

We work closely with our trusted supplier partners, who share our values to ensure that the people who work in our supply chains are treated with dignity and fairness, their human rights are respected and promoted, and we deliver on our shared mission to be a net zero business. This year we reviewed and updated our Global Sourcing Principles and developed the Marks & Spencer Supplier Partner Guidelines to support our supplier partners in implementing these principles successfully.

During the year we engaged our customers and colleagues on sustainability issues. Across all stakeholders there continued to be high levels of interest in plastic/packaging, food waste and sustainable fashion, all of which are addressed in this update. Shareholders engaged with us on climate change, packaging, biodiversity, healthy food products, supplier engagement, human rights and modern slavery.

As we reset Plan A, we engaged in CEO-level discussions, with several environmental and social NGOs. The views from all stakeholders were considered and formed part of our discussions with ExCo and the ESG Committee as the scope of our sustainability programme and goals were agreed.



# STORIES OF THE YEAR

This year we continued to build on our industry leadership position in sustainability working with others to surmount tricky challenges and ensure that M&S becomes more sustainable and responsible every day.

Throughout, we have sourced with care, aiming for M&S products to have a positive impact on people and planet.

And we've made better choices for a better tomorrow - setting higher product standards, creating more opportunities to recycle and taking care of the people in our product supply chains.



## MOVING FORWARD ON SUSTAINABILITY

p9



CIRCULAR FASHION  
p10

## SPARKING CHANGE

p11



EMPOWERING WOMEN  
p12

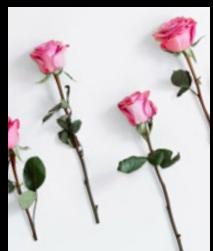
## CREATING MORE OPPORTUNITIES TO RECYCLE

p13



## RESILIENT FLOWER SUPPLY CHAINS

p14



## SUPPORTING OUR FOOD SUPPLIERS

p15



HELPING CUSTOMERS EAT WELL  
p16



HIGHER WELFARE, SLOWER REARED CHICKEN  
p17



DONATIONS FOR UKRAINE  
p18



FAIR PAY FOR OUR PEOPLE  
p19



# BACK TO SCHOOL MOVING FORWARD on sustainability



In April, we joined the dotte collective, the UK's first fully circular kidswear peer-to-peer marketplace where parents can buy, sell, donate and recycle outgrown kidswear.

## 400

M&S is one of the most popular brands on dotte for resale, with over 400 items listed on the site.



Made to pass the  
"hand-me-down" test



90% recycled polyester  
in the range



Threads and  
buttons contain  
recycled material



Our entire range of school uniforms are more durable and sustainable than ever before.

- Since 2019, all of the cotton in our clothing has been responsibly sourced. We've introduced sustainably sourced viscose, sustainably sourced trims (e.g. sewing thread, buttons and interlining) and 90% of the polyester used in our 2021/22 range is recycled.
- The sustainability credentials of specific products are highlighted online, so parents can shop with confidence.
- Each item has been created to be more durable, and so pass the "hand-me-down" test. Our coats have space for three names on the label, so a 2021 purchase can go on to be re-used by siblings or friends.
- Building a sustainability focus into our product standards has contributed to our number one position in the UK schoolwear market.

Look behind  
the label

M&S  
EST. 1884



# Circular FASHION for everyone

We are conducting an innovative “test and learn” trial in the growing market of clothing rental, working in partnership with Hiresstreet to help our customers live a lower-carbon life.

- Hiresstreet, the UK’s leading accessible fashion rental platform, is owned by the Zoa Group, in which we have invested via the M&S and Founders Factory joint venture. The joint venture identifies and builds up emerging businesses, while providing M&S with valuable insights into industry change and trends.
- M&S’s first rental edit launched ahead of the Christmas party season, comprising over 40 womenswear pieces from the Autograph range, and the latest dresses from the popular M&S X Ghost collaboration.
- This initiative allows our customers to participate in the circular fashion economy, while showcasing the style, value and quality of clothing that is made to last. In parallel, M&S gains the opportunity to learn from a leading start-up, operate in a more agile way, and better understand what our customers want from rental services.
- Our investment in Zoa forms part of a wider commitment to the circular economy, as part of our journey to net zero. We are committed to investing in innovative products and services that help customers live lower-carbon lives, including an updated incentive for Shwopping, our clothes recycling scheme, which rewards our 15m Sparks members every time they “Shwop”. We have also pledged to use 100% verified recycled polyester in all our products by 2025.

**£2.3bn**

(projected 2029 size of UK rental clothing market)

# Sparking Change with our customers.

In early 2022, following a rigorous pilot programme, we ran the “Sparking Change National Challenge”, sharing a range of resources designed to help our 14 million Sparks customers eat healthily and waste less food.

**90%**

of trial participants eating less meat and wasting less food



**73%**

of trial participants cooking from scratch more often



**34%**

of trial participants more likely to buy plant-based meat alternatives

**75%**

of trial participants eating more seasonal produce



- Grounded in behaviour change theory, the “Sparking Change” pilot, run in partnership with behaviour change experts Hubbub, focused on four areas – protein from plants, cutting food waste, cooking from scratch and sustainable living beyond the kitchen.
- In the pilot, 100 families from across the UK received expert tips, easy-to-follow recipes and the opportunity to join live cook-alongs with chefs for extra inspiration, as well as a session with a nutritionist. A private digital community group was also created for sharing recipes and tips.
- Three months after the pilot, participants reported that there had been a lasting impact on the way they and their families ate. It was clear to us that this initiative had real promise, and that the learnings should be scaled up.
- During the subsequent two-month Challenge, Sparks customers had access to delicious recipes, practical tips and a Sparks Live cook-along event hosted by our resident chef, Chris Baber. Available through Sparks, participants were supported with a range of resources designed to help them make delicious and more sustainable meals from scratch, make the most of the food they buy and embrace plant-based protein.
- Customers tell us that, although they want to do more to protect the planet, climate action can often feel overwhelming. However, the Sparking Change Challenge made sustainable living simple and fun, offering a flexible approach with no sign-up or big commitment required, just the appetite to take part.

For more information on the pilot, you can read the Sparking Change report [here](#) →

**EMPOWERING**

# THE WOMEN WHO MAKE OUR CLOTHES —

Since 2016, we've worked in partnership with the British High Commission and Change Alliance programmes in India to promote gender equality and create safe environments for female workers.



- Improving workers' lives in India is a complex issue, which requires regular, multi-stakeholder engagement and progressive collaboration with our supplier partners to ensure workers are listened to and empowered.
- The POWER programme (Providing Opportunities to Women for Equal Rights) encourages women to join and lead the labour market, and comprises three pillars: gender equality (addressing stereotypes), accountability (creating a mechanism for complaints to be heard), and responsiveness (creating a culture that enables women to speak up).
- Key initiatives include helping female workers build communication skills, manage their money, maintain good health, and plan for the future.
- The second phase of POWER helps women build on the work done so far, taking on new responsibilities at work and leadership roles, both in and out of the factory. The programme offers training in gender and life skills, and identifies technical skills required for progression. The first cohort includes 16 manufacturing units, 16 peer trainers and 1,700 workers.

# IT'S EASY TO GO GREEN

AT M&S WOKING

## RECYCLING

Recycle things that can't be widely recycled

## PLASTIC FREE

Use less plastic with our loose fruit and veg

## GOT THINGS TO RECYCLE?

Simply pop them in the right bin, and we'll do the rest.

## RECYCLE HERE

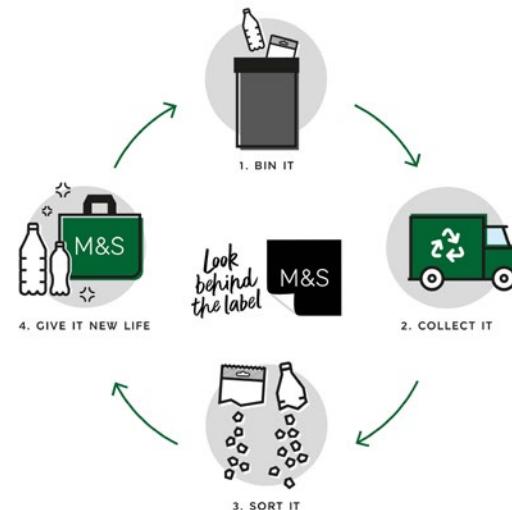
**DRY WASTE**

(No food please!)

**PLASTIC**

# CREATING MORE OPPORTUNITIES *to recycle*

Some types of plastic can't be recycled at home, so we introduced dedicated plastic collection facilities at our stores in the UK and Ireland.



- We want to help our customers reuse and recycle more often.
- Soft plastics, used in lots of packaging across different products, including crisp packets, yoghurt lids and sweet wrappers, can be impossible to recycle at home.
- To help with this problem we've rolled out our in-store Plastic Takeback Scheme to most M&S-owned stores.
- Customers can now easily return plastic packaging from any product by placing it into our clearly marked plastic collection units at their nearest store.
- The plastic recycled with us is given a new life, reducing the environmental impact of the new products created.



# Building resilient **FLOWER SUPPLY CHAINS**

When Covid-19 hit the Kenyan flower industry, we played our part to ensure that the people working within it would be able to make it through the pandemic.

**893**  
workers and farmers  
trained in financial literacy

**3,000**  
workers benefited from  
kitchen and shared gardens

**2,000**  
workers shared their  
views and insights

**100,000**  
workers communicated with and  
trained on Covid-19 precautions

- The Kenyan flower industry is worth \$1.15bn annually, employing 150,000 people and 2 million more indirectly. But the Covid-19 pandemic devastated the industry, with up to 50 tonnes of flowers a day being destroyed in March 2020.
- 50,000 people lost their jobs instantly, and had no financial safety net. Those who kept their jobs often lacked PPE and access to water. Women – around 65% of the workforce – were disproportionately affected.
- To support the industry, we worked alongside MM Flowers, the Fairtrade Foundation, Coventry University, Co-op and Tesco for 12 months to improve the situation. 68 farms were covered by this collaborative project, with 6,000 workers offered health packs that could protect them from Covid-19.
- The project also worked on improving food security and enhancing worker voice, and helped workers to diversify their farms and undertake other income-generating activities.
- Retailer roundtables included procurement and growers, and recommendations on policy were delivered to the Kenyan and UK governments, proposing action in four areas to build up the resilience of Kenya's flower industry: emergency preparedness, living wages, climate change and gender equality.



- Since 2020, staff shortages have become a significant problem in the food supply industry. We increased pay, offered recruitment and retention bonuses for key roles like HGV drivers, and invested in better training. We've also supported our suppliers with their labour costs. There remains, however, a marked shortfall in UK food workers.
- Unfortunately, this shortfall has created a heightened risk of human trafficking and forced labour in the food industry. We are tackling this problem collaboratively through, among other initiatives, active participation in the Modern Slavery Intelligence Network, and the Food Network for Ethical Trade.

- M&S are sponsors of the Responsible Recruitment Toolkit, which enables our suppliers to access a variety of tools and resources to manage responsible recruitment, and we work with Stronger Together, a multi-stakeholder business-led initiative aiming to reduce modern slavery by providing guidance, training and resources.
- During the year, we called on the UK government to: recognise the centrality of the agri-food industry in their innovation strategy; repurpose the Apprenticeship Levy to create a national skills programme; integrate the visa programme into the national supply-side food strategy; and ensure frictionless trade for Northern Ireland.

# Supporting our FOOD SUPPLIERS

Over the past two years M&S and the wider food industry have worked around the clock to feed the nation while also managing the “once in a century” challenge arising from Covid-19 and Brexit – factors that still affect us.

**1,370**

individuals and 380 suppliers reached by Stronger Together





# HELPING OUR CUSTOMERS TO EAT WELL

We are working hard to reformulate many of our food products to bring down levels of fat, sugar and salt.

36%

of product sales  
are Eat Well

- Our Eat Well flower logo was launched in 2005 as a signpost for healthy food choices. The criteria was developed in consultation with the British Nutrition Foundation.
- In 2022, we are committed to ensuring all products that are Eat Well are not classed as High Fat, Sugar and Salt under the UK government's definition.
- Already, 68% of our products meet the UK government's 2024 maximum salt targets and 79% of our products meet the 2024 maximum calorie targets.
- We want to play our part in supporting balanced diets, reducing obesity and increasing access to healthy, nutritious food. That's why, in 2017, we set a target to achieve 50% of sales in our Food business from healthier products by the end of 2022.
- This year, we've worked on updating our health strategy to respond to both changing customer requirements as well as increasing regulations. We will be setting more ambitious and longer-term targets for healthier food sales, even as we continue to deliver on our previous ambitious commitments.



# OUR LANDMARK COMMITMENT TO HIGHER ANIMAL WELFARE STANDARDS

In July 2021, we announced that we will be the first major retailer to sell only higher-welfare, slower-reared chicken across our full range of fresh chicken products.

- M&S already has the highest animal welfare standards in the market, and from autumn 2022 all fresh chicken we sell will be slower-reared, British and RSPCA Assured – demonstrating our continued leadership and commitment in this area.
- The slower-reared birds are fed on a multigrain diet, specifically designed to support their slower growth and muscle development, which also improves the chicken's flavour and texture. Animal welfare and bird wellbeing both significantly improve, further enhancing our leading position.

- We already have the biggest range of RSPCA Assured products on the market, but we want to do even better. We hope that making and delivering on this industry-leading commitment will lead to a step-change in UK poultry farming standards.



IT'S A LANDMARK ACHIEVEMENT FOR ANIMAL WELFARE, WHICH WE HOPE WILL SET A LEADING EXAMPLE FOR OTHERS IN THE SECTOR. BY SIMPLY SWITCHING TO USING ONLY SLOWER-GROWING BREEDS OF CHICKEN, RETAILERS CAN MAKE AN ENORMOUS DIFFERENCE TO THE LIVES AND WELFARE OF MILLIONS OF CHICKENS REARED IN THIS COUNTRY EVERY YEAR FOR THEIR MEAT.

*Chris Sherwood, RSPCA Chief Executive*





# DOING THE RIGHT THING FOR UKRAINE

Following the invasion of Ukraine in February, we responded quickly to support the humanitarian effort, and enabled our customers to help as quickly as possible.

- We moved quickly to show support for Ukraine by donating £50,000 to our existing partner UNICEF UK's emergency Ukraine appeal.
- As the situation in Ukraine developed, we increased this by offering a £1.5m package to support the UN Refugee Agency (UNHCR) and UNICEF to help children and families in need. This comprised of:
  1. A kickstart £0.5m donation to UK for UNHCR.
  2. £0.5m available for matched fundraising for UNICEF UK, for all our global colleagues.
  3. Practical help to UK for UNHCR, donating 12,000 coats and thermals.
- M&S also enabled customers to show their support by switching to UNICEF UK as their Sparks charity, with a promise of double donations to the appeal. We saw our highest ever charity switch rate, with 31,000 Sparks members selecting UNICEF in the two weeks after launch.
- Empowering our customers to make a positive contribution to a situation they care deeply about paid off - customers donated over £1.4m at M&S in less than a week.
- We also worked with our logistics partners and the Foreign, Commonwealth & Development Office to send ambient food products to Lviv.





# FAIR PAY FOR our people

When our colleagues told us that improvements in both base pay and health and wellbeing were their main priorities, we listened.

- In April 2022, 40,000 colleagues across the UK saw their base rate of pay increase to £10.00 per hour, from £9.50, with rates in London rising from £10.75 to £11.25. This investment ensures that our base pay rate is ahead of the national living wage and real living wage in both the UK and in London.
- We are also now offering colleagues access to a virtual GP service, health check screenings and advice on financial management.
- These newly expanded health and wellbeing benefits, combined with our 20% colleague discount and generous pension, means that we have one of the strongest all-round reward packages in retail.



**THE CONTRIBUTION OUR TEAMS HAVE MADE TO SUPPORT OUR CUSTOMERS AND EACH OTHER EVERY DAY THROUGH SOME REALLY CHALLENGING TIMES HAS BEEN REMARKABLE. NOW WE'RE MAKING SURE THAT EVERY COLLEAGUE, WHATEVER THEY DO AND WHEREVER THEY WORK, IS PROPERLY REWARDED AND SUPPORTED AT M&S.**

*Steve Rowe, CEO*

# Sustainable Future

Taking action today to protect  
the planet for tomorrow

We've reset Plan A to deliver a single focus: to become a net zero business across our entire value chain by 2040.

In simple terms this means we won't add any more greenhouse gases to the atmosphere than we take out of it.

We have developed a roadmap towards net zero and have aligned our approach with climate science to support the Paris Climate Agreement goal of limiting global warming to 1.5°C.



U

We launched Plan A 15 years ago, because we knew there was no Plan B for the planet.

We now face a climate emergency. In resetting Plan A with a singular focus we can drive the delivery of net zero across our entire end-to-end value chain. This won't be easy. We need to transform how we make, move and sell our products to customers and fundamentally change the future shape of our business.

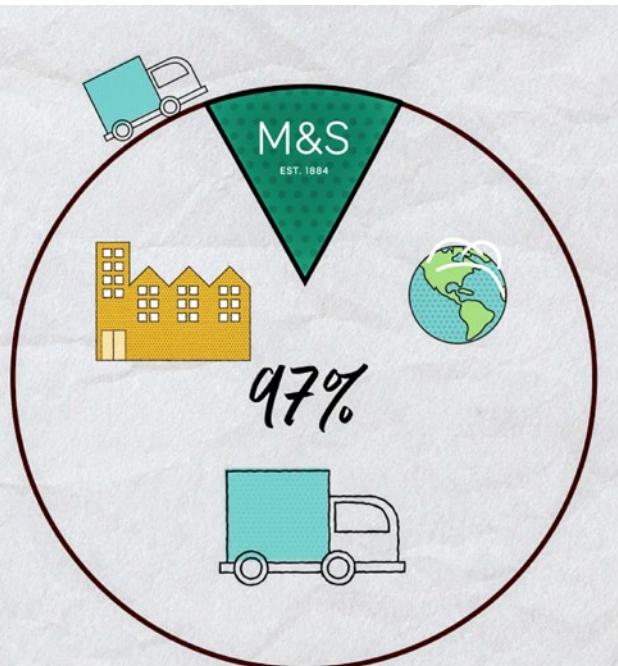
*Steve Rowe, Chief Executive*

U



# OUR COMMITMENT TO NET ZERO

To find out more about our journey to net zero, watch this animation →



## OUR POSITION

Through Plan A we've been working to reduce our impact on the planet since 2007, including minimising our contribution to climate change.

Even though we were the first major retailer to become carbon neutral in our operations back in 2012, the scale and urgency of the climate crisis means it's clear we need to do more.

Our response has been to reset Plan A with a singular focus on becoming a net zero business across our entire value chain and products by 2040 – ten years earlier than the UK government's strategy.

## Roadmap towards net zero

We have established an ambitious roadmap identifying the ten immediate priority areas we will focus on as we make our journey towards net zero. Our plan will ensure that M&S plays its part in keeping global warming below the all-important limit of 1.5 degrees Celsius.

We have set a new near-term science-based target to reduce carbon emissions by 55% against our new baseline (financial year 2016/17) of 5.7 million tonnes of CO<sub>2</sub> equivalent (CO<sub>2</sub>e) by 2030. We have developed this company-wide emission reduction target in line with climate science and have submitted to the Science Based Target initiative (SBTi). We are currently awaiting approval from SBTi of this new near-term target.

Our journey towards net zero consists of three main stages:

2030



2035



2040

### Rapid decarbonisation by 2030

We will reduce carbon emissions by 55% against our new baseline (financial year 2016/17) of 5.7 million tonnes of CO<sub>2</sub> equivalent (CO<sub>2</sub>e). We've also set a target to reduce emissions by a third (34%) by 2025.

## Ten areas for transformation

Our roadmap identifies ten priority areas for immediate action. These are split into two main categories: a) reducing waste and emissions, and b) delivering change in collaboration with supplier partners, stakeholders and customers.

## Working together

We know that 97% of our carbon footprint (5.5 million tonnes) comes from indirect, or Scope 3, emissions. These indirect emissions come from our value chain; primarily from how we make and source our products. Only 3% (0.2 million tonnes) of our carbon emissions come directly from the fuel and electricity we use in our operations (known as Scope 1 and 2 emissions).

To make net zero a reality, working with our stakeholders will be crucial. This is why we have designed our net zero roadmap as a multi-stakeholder plan that includes customers, colleagues, supplier and industry partners. We will work together to deliver the emissions cuts needed across our entire value chain, from the raw materials we use to how customers use our products.

Our collaborations with key partners across the retail industry include WWF, The Consumer Goods Forum, WRAP's Courtauld Commitment 2030, Textiles 2030 and the National Farmers' Union. We are also a member of the Science Based Targets initiative's Business Ambition for 1.5°C, the UN's Race to Zero campaign and the British Retail Consortium's Climate Action Roadmap.

### Net zero in our own operations by 2035

This includes zero carbon emissions from our stores, offices, warehouses and our dedicated logistics network.

### Net zero across our entire value chain by 2040



## Climate Innovation Fund

To achieve our new goal of being a net zero business we need to make fundamental changes to how we make and move our products, and that is going to require us to find new and better ways of doing things.

By focusing on energy efficiency, sourcing renewable electricity and purchasing carbon offsets for our residual emissions, we have been carbon neutral in our own operations since 2012. Following consultation with experts, we're changing our approach and launching a new climate innovation fund – to support innovation that will remove emissions across our supply chain.

The investment we have historically made in offsetting our Scope 1 and 2 greenhouse gas emissions will be redirected into the new innovation fund.

The Climate Innovation Fund will invest in projects in our value chain in collaboration with our trusted supplier partners, in our own operations and, where appropriate, help identify solutions for industry-wide climate-related challenges.

## Looking ahead

Securing long-term sustainability is about changing behaviour, and we believe that wider sustainability concerns are here to stay resulting in opportunities for our brand to enter new markets. Through our deep customer relationships in Sparks, our long-standing trusted supplier partners, and our portfolio of innovation partners, we are well placed to develop customer propositions in areas such as circular fashion and low-impact farming.

## Task Force on Climate-related Financial Disclosures (TCFD)

We are committed to managing and disclosing climate-related risks and opportunities involved in line with the recommendations of the TCFD. This year we have published our climate-related disclosures in line with these recommendations in our [Annual Report \(page 72\)](#), building on the actions outlined in our first disclosure last year. This includes a summary of our scenario analysis and actions to be taken on climate-related risks and opportunities.

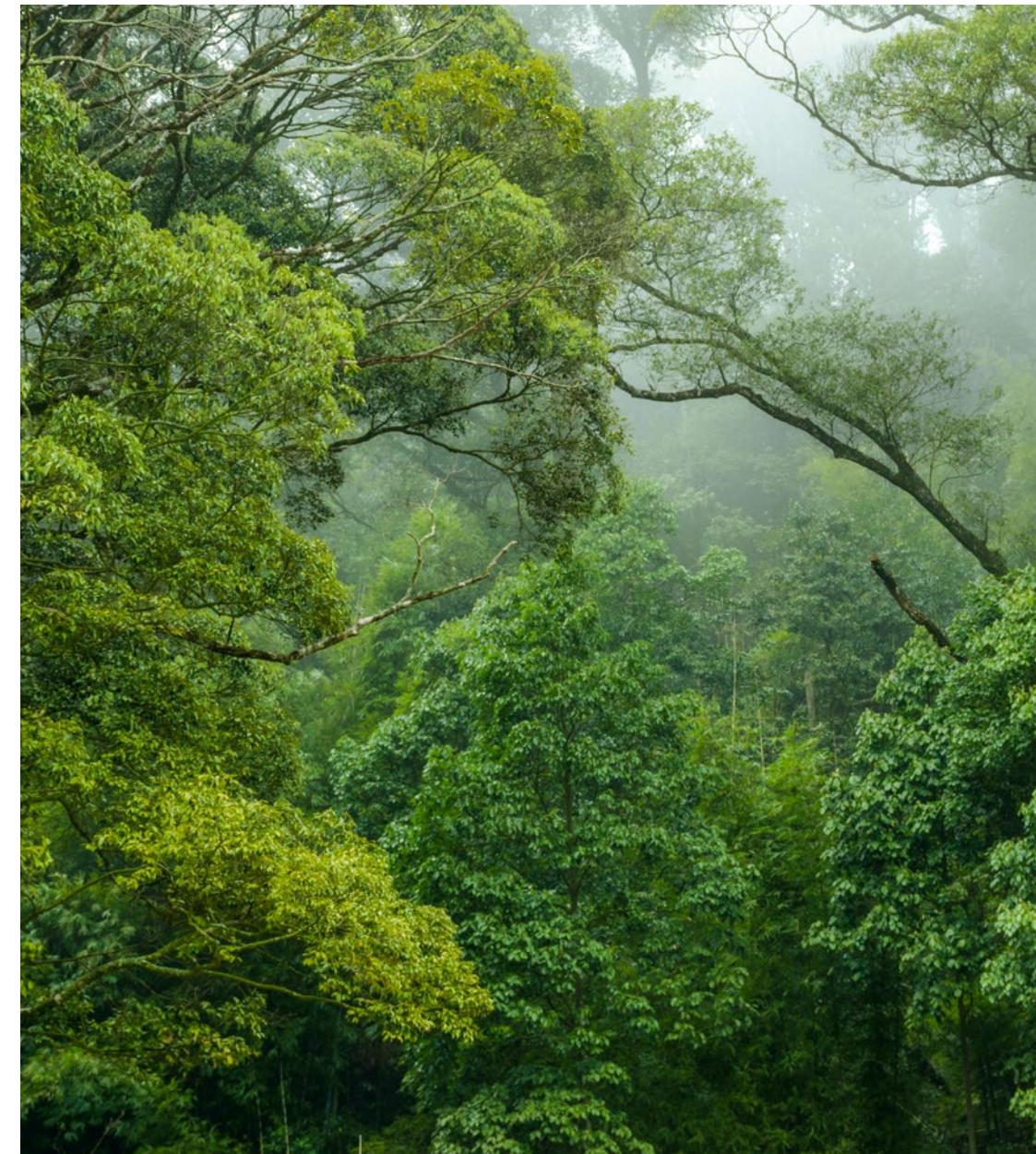
## Revolving Credit Facility

In December, we agreed a new £850m Revolving Credit Facility, directly linked to the delivery of net zero targets. Under the terms of our new facility, which will run to June 2026, we will benefit from a lower interest rate if we deliver against four metrics. These metrics deliberately focus on material emissions hotspots aligning to our net zero roadmap, and areas of customer concern. They are summarised below:

- 100% of polyester sourced from verified recycled sources by 2025/6;
- 100% physically certified deforestation and conversion free soy by 2025/6;
- Scope 1 and 2 emissions reductions in UK and ROI property (annual reduction /tonnes CO<sub>2</sub>e);
- Removal of plastic packaging units per year from the company's packaging portfolio.

We have engaged Deloitte to undertake an ISAE 3000/3401 limited assurance engagement in respect of M&S's reported information aligned to the metrics associated with our Revolving Credit Facility.

Once this work has completed, we currently intend to publish the performance, the basis of reporting and the ISAE 3000/3410 limited assurance for the financial year 2021/22, on our Sustainability Reports and Publications page of our website.





# EVERYONE HAS A PART TO PLAY IN OUR SHARED MISSION

## Shop till you Shwop

Through Oxfam,  
you've given new life  
to 35 million skirts,  
shirts and shoes

Look  
behind  
the label



If we're going to be successful in reaching our net zero goal, we need to make sure we bring our customers, colleagues and supplier partners on the journey with us. After all, 97% of our total carbon footprint comes from our value chain and how our products are sourced and made.

We've described below how we are working across a range of projects and initiatives to raise awareness with customers and colleagues, alongside the work we do to help our supplier partners reduce their impacts. Read more about how we are working with our supplier and business partners on [page 32](#).

### Working with our customers

We know we can't achieve net zero if we don't work with our customers to help them live lower-carbon lives. We also know from our latest M&S Family Matters report (see [page 5](#)) that concerns about the environment and climate continue to grow within UK families and are the fastest growing topics of family discussion.

We have devised a programme of initiatives to support customers:

#### - Shwopping incentive scheme

We've launched a new incentive programme for our 15 million Sparks loyalty scheme customers: when they donate pre-loved clothes at a Shwopping point in any of our 260 clothing stores, a free treat will automatically be added to their Sparks account via the M&S app. For more on Shwopping see [page 34](#).

#### - Sparking Change

We launched Sparking Change, run in partnership with behaviour change experts Hubbub, to help our Sparks customers prepare more sustainable meals from scratch. The project focuses on four areas: protein from plants, cutting food waste, cooking from scratch and sustainable living beyond the kitchen.

#### - Reboot the Future

We've entered into a new partnership with Reboot the Future, a not-for-profit organisation that works with young people and business leaders. Together we are creating resources to encourage customers to start conversations about climate change and to make it easier for them to discuss the challenges and opportunities of living lower-carbon lives. These resources are available for free through [M&S.com](#)



#### - Look Behind the Label 2.0

We've also relaunched our iconic Look Behind the Label campaign. Through a new Look Behind the Label hub, customers can dig a bit deeper to discover the steps we're taking to protect the environment when sourcing some of their favourite products.

The initial focus is on climate change, and our campaign, tell the sustainability story behind three everyday products: coffee, denim, cotton. The hub also provides information about the benefits of eating plant-based meals and how M&S Energy provides 100% renewable energy. As the campaign develops we will share a wider range of product stories, from our leading animal welfare standards to how we support workers in our supply chain.

**More information on Look Behind the Label can be found here →**



## Working with our supplier partners

### Kenpark, Bangladesh

Innovating with our supplier partners is part of the M&S DNA. A good example is the work we've done in partnership with our clothing supplier partner, Kenpark, in Bangladesh.

We have worked closely with Kenpark on reducing the impact of our denim range. The work so far has focussed on:

- assessing the Environmental Management Systems of their facilities through the use of the Higg Facility Environmental Module (FEM) to improve energy efficiency, water use and reduce emissions ([see page 33](#));
- sourcing BCI Cotton and GRS-certified recycled fabrics as part of clothing ranges;
- reducing the environmental impact of denim washing through the use of less water and investment in more innovative washing technologies, all measured using Jeanologia EIM.

[Find out more about M&S denim here →](#)



### The Village Bakery, Wrexham

Our CEO Steve Rowe recently met with the master baker of the Village Bakery, Wrexham, to understand better the innovative thinking and action taken at the site to reduce carbon emissions and improve biodiversity. The team at The Village Bakery have:

- installed high-pressure burners to their ovens to increase efficiency and reduce gas consumption, with excess heat recovered to heat water for the site;
- built a solar park to increase self-generated, renewable electricity to run site operations and reduce emissions;
- purchased 6.5 acres of woodland to give back to the local community, and re-nature by planting wildflowers and creating three wildlife ponds.

### Building colleague awareness of climate change

Our colleagues have been the driving force behind many of the achievements we've made with Plan A in the last 15 years.

Now, to deliver a net zero M&S we need every colleague to play their part. We've started by improving carbon literacy across our business, giving colleagues a greater understanding of the emissions associated with how we source, make and move our products.

To kick off our colleague engagement, Steve Rowe, our CEO, hosted a business-wide event to rally our 70,000 colleagues behind plans to put a sustainable future at the heart of our transformation strategy. Live events were held in five locations around the UK, and 35 "watch parties" across our stores and depots allowed even more colleagues to join in the events digitally.

Following the launch, four events were also held for our store team managers across our retail divisions – North, South, Central and Ireland – reaching 3,000 managers in total.

### Developing a carbon-aware workforce

We've also introduced three long-term colleague initiatives as part of our roadmap to net zero:

#### Carbon Champions

We've nominated 100 Carbon Champions in key roles in buying, sourcing and operations who will help activate our net zero transformation and work on net zero delivery. By building knowledge across these teams, we can take action quickly to reduce emissions. We have invited external experts to quickly build capacity including Mike Berners-Lee, WWF and the Accelerating Net Zero Coalition convened by Tortoise.

#### Green Network

To harness colleagues' passion across the globe, we've launched a new online Green Network, which has a growing community of more than 600 members. It's a space for colleagues to discuss and share ideas, inspiration and innovation on climate change.

#### Sustainability training for all colleagues

We're developing a colleague learning programme to improve understanding on all things climate change and carbon-related. The programme will provide our colleagues with the understanding to identify carbon-related risks and opportunities within M&S. To begin with we've created a video that explains our net zero ambition and the roadmap to get there, and this has been distributed and widely viewed by colleagues. You can view the [video here](#).

Through our partnership with WWF, we've been inviting colleagues to assess their personal environmental footprint using WWF's environmental footprint calculator. So far, around 1,000 colleagues have used the online tool to understand their environmental impact and view actions they can take to reduce it.

We have a Sustainability Academy for all our Clothing & Home product development colleagues to teach them about sustainability topics such as circular fashion, animal welfare and sustainable sourcing. We trained over 70 colleagues in product development and circular design principles this year.



If you can understand and treat carbon in a similar way that you would cash – it makes you stop, think, consider your actions and find an alternative solution.

*Professor Mike Berners-Lee,  
carbon footprinting expert*

Contributor to our colleague learning programme and author of There is No Planet B





# OUR ROADMAP TOWARDS NET ZERO

## Rapid carbon reduction

## PLAN A

Because there is no Plan B

### TEN IMMEDIATE PRIORITY AREAS FOR TRANSFORMATION

#### Reduced waste and emissions



##### Zero emissions property

Deliver a more efficient store estate.



##### Reduce food waste

- 100% of edible surplus to be redistributed by 2025.
- Food waste reduced by 50% by 2030.



##### Reduce and recycle packaging

- 100% of packaging to be recyclable by 2025.
- 30% reduction in volume of plastic food packaging by 2027.



##### Zero emissions transport

Moving to low-carbon logistics with reduced dependency on diesel and increased use of new technologies and cleaner fuels. Contributing to cross-industry action through collaboration.

#### Change driven in collaboration with supplier partners, stakeholders and customers



##### Suppliers and business partners on net zero journey

Looking beyond our own operations to spark change and support decarbonising across our full value chain.



##### Zero deforestation

- 100% of soy to be sourced from verified deforestation and conversion-free regions by 2025/26.
- 100% segregated responsibly sourced palm oil by 2025/26.



##### Increasing the range of plant-based protein

Double the sales of vegan and vegetarian products by 2024.



##### Circular economy

Enhancing our clothes recycling scheme with new incentives for Sparks members.



##### Sustainable sourcing

100% verified recycled polyester by 2025/26.



**2025**  
TARGET



**2030**  
TARGET



**2035**  
TARGET



**2040**  
TARGET

OUR BASELINE

**5.7m tonnes**  
of carbon emitted in 2016/17

**34% reduction**  
in carbon emissions  
versus our baseline

**55% reduction**  
in carbon emissions  
versus our baseline

**Net zero**  
across our own  
business

**Net zero**  
across entire value  
chain



# REDUCING WASTE AND EMISSIONS

## OUR SCOPE 1 AND 2 GREENHOUSE GAS EMISSIONS

With the reset of Plan A, our singular focus is to achieve net zero in our own operations and across our entire supply chain and products by 2040.

As part of this new goal – and in response to growing stakeholder interest in our carbon footprint – we're reporting our emissions at a greater level of detail this year. We're building on how we've reported our greenhouse gas (GHG) emissions since 2006/07, providing more detail on the sources and scale of our Scope 1 and 2 emissions (see table).

Our previous climate targets were also science-based, using a 2006/07 baseline. This year we are reporting our progress against both baselines, to show progress against our previous as well as our new targets (see table across). A full breakdown of our GHG reporting back to our original baseline in 2006/07 is available on our website.

### M&S Group greenhouse gas emissions (000t CO<sub>2</sub>e)\*\*

	<b>This year 2021/22</b>	<b>Last year 2020/21</b>	<b>2016/17 baseline</b>	<b>% change vs 16/17 baseline</b>	<b>2006/07 baseline</b>	<b>% change vs 06/07 baseline</b>
<b>Location-based method</b> (reflecting the average emissions intensity of grids in which the energy consumption occurred)						
Direct emissions from operations (Scope 1)	174	157	185	-6%	246	-29%
Indirect energy emissions from operations (Scope 2)	140	141	293	-52%	394	-64%
<b>Total Location-based Scope 1 and Scope 2 emissions</b>	<b>314</b>	<b>298</b>	<b>479</b>	<b>-34%</b>	<b>640</b>	<b>-51%</b>
Total emissions per 1,000 sq ft of salesfloor	16	15	24	-32%	40	-59%
<b>Market-based method</b> (reflecting emissions from contracted electricity supplies and renewable instruments)						
Direct emissions from operations (Scope 1)	174	157	173	0%	246	-29%
Indirect energy emissions from operations (Scope 2)	16	21	0	N/A	394	-96%
<b>Total Market-based Scope 1 and Scope 2 emissions</b>	<b>190</b>	<b>177</b>	<b>173</b>	<b>9%</b>	<b>640</b>	<b>-70%</b>
Total emissions per 1,000 sq ft of salesfloor	10	9	9	14%	40	-75%

Last year, energy consumption and greenhouse gas emissions were materially impacted by the significant change in operational space in our stores, as a result of national lockdowns.

This year, Group scope 1 and 2 location-based emissions are down 8% as compared to 2019/20 (2019/20: 340,000tCO<sub>2</sub>e), and 34% against our 2016/17 baseline. Group scope 1 and 2 market-based emissions are down 4% this year as compared to 2019/20 (2019/20: 198,000tCO<sub>2</sub>e), but are up 9% against the 16/17 baseline, reflecting that we are no longer purchasing renewable instruments; instead sourcing renewable electricity directly through on-site generation and purchase via green tariffs, to reduce emissions in line with our new net zero target (see table over page for a breakdown).



## REDUCING WASTE AND EMISSIONS CONTINUED

### BREAKDOWN OF M&S GROUP SCOPE 1 AND 2 GHG EMISSIONS

*Net zero priorities*

Zero Emissions Property

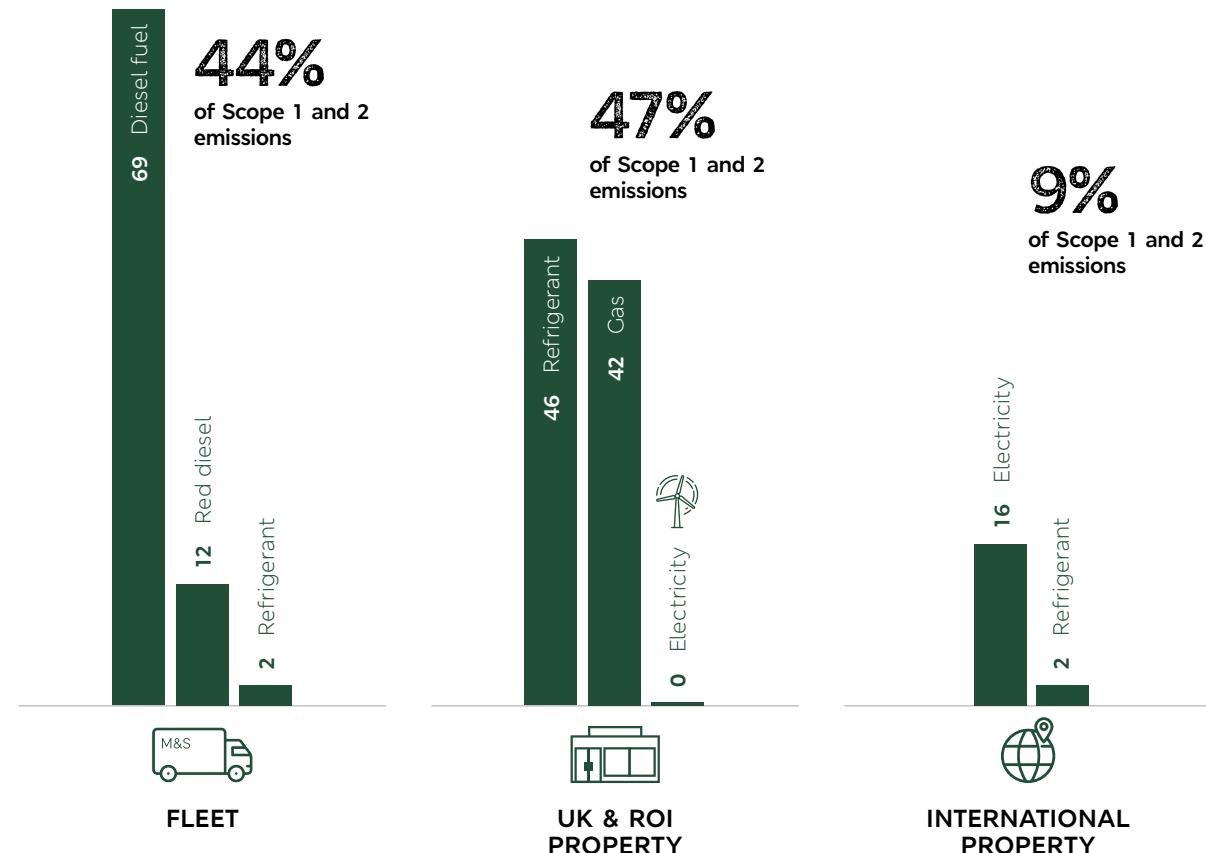
Zero Emissions Transport

#### M&S Group Scope 1 and 2 emissions by emission source (market-based method)

Scope 1 and 2 emissions sources	This Year 2021-22	
	Energy (MWh)	000t CO <sub>2</sub> e
<b>Total Fleet</b>	<b>320,241</b>	<b>84</b>
Diesel fuel (27,585,120 litres in 2021/22**)	275,382**	69**
Red diesel	44,859	12
Refrigerant	-	2
<b>Total UK &amp; ROI Property</b>	<b>812,071</b>	<b>89</b>
Refrigerant (refrigeration & aircon)	-	46
Gas	227,827	42
Generated electricity (diesel)	422	0
Electricity (on-site renewables)	5,789	0
Purchased electricity (renewable)	576,762	0
Purchased electricity (grid)	1,271	0
<b>Total International Property</b>	<b>24,673</b>	<b>18</b>
Refrigerant (refrigeration & aircon)	-	2
Generated electricity (diesel)	15.5	0
Purchased electricity (grid)	24,658	16
<b>Total market-based Scope 1 and 2 emissions</b>	<b>1,156,986</b>	<b>190**</b>

Total M&S Group greenhouse gas emissions have been assured by DNV. This table shows a breakdown of that total. In line with ISSB guidelines, data on fuel consumption for the fleet (MWh) is given alongside consumption in litres and the resulting greenhouse gas emissions. These figures have also been assured by DNV.

#### Market-based Scope 1 and 2 emissions by source (000t CO<sub>2</sub>e)



#### Renewable electricity

This year, 96%\*\* of the electricity purchased for M&S-operated stores, offices and warehouses worldwide came from on-site generation or green tariff renewable sources. This is up from 86% last year as the majority of UK warehouses have now moved to green electricity tariffs. **100% of electricity used by UK and ROI stores is renewable.**



## REDUCING WASTE AND EMISSIONS CONTINUED

### PERFORMANCE AGAINST OUR PREVIOUS CLIMATE-RELATED TARGETS

Below we are reporting performance against our previous targets for the final time as we make the transition to reporting emissions against our new net zero targets. We will continue to track performance on energy efficiency and refrigeration internally and this will be reported via our Greenhouse Gas Emissions reporting.

#### UK & ROI Store Energy Efficiency

	Target 2020	**This year 2021/22	Last year 2020/21	2006/07 baseline	% change vs 2006/07 baseline
UK & ROI store energy efficiency (weather adjusted kWh/sqft)	34.0	37.5	36.1	67.9	-45%

Due to Covid-19-related disruption last year, we have continued to measure and report against our 2020 target for UK & ROI store energy efficiency. Store energy efficiency, measured in energy use per square foot of sales floor area, worsened in 2021/22 compared to the previous year, which saw better energy efficiency due to Covid-19-related store closures.

We have achieved a 45% improvement against our baseline, although this fell short of our target of a 50% improvement in store energy efficiency. This year, we struggled to improve energy efficiency as we continued to follow guidelines for increased fresh air supply into our stores, which required greater energy use. We also faced the coldest UK winter in four years and a high number of boiler fixes during the year.

#### International Store Energy Efficiency

	Target 2020	**This year 2021/22	Last year 2020/21	2013/14 baseline	% change vs 2013/14 baseline
International store energy efficiency (kWh/sqft)	19.5	16.9	13.1	27.9	-39%

In our International store network, we hit our 2020 target in financial year 2019/20. Although store energy efficiency has worsened slightly this year compared to last, we have maintained a 39% reduction on our 2013/14 baseline. Alongside Covid-19-related factors which reduced energy use last year, this year we improved the capture and reporting of energy use data for heating, ventilation and air conditioning (HVAC) in India, resulting in an increase in reported energy use.

#### Refrigeration

	Target 2025	This year 2021/22	Last year 2020/21	2006/07 baseline	% change vs 2006/07 baseline
UK and ROI store refrigeration and aircon emissions in tCO <sub>2</sub> e/1,000 sqft	1.9	2.6	2.1	9.4	-72%

We have reduced GHG emissions linked to refrigeration by 72% against our 2006/07 baseline, almost hitting our 2025 target of an 80% reduction. Refrigeration emissions were up in 2021/22 against the previous year, because maintenance of many refrigerant systems that had been paused during Covid-19 resumed. Because refrigeration gas leakage (and therefore GHG emissions) is measured by the amount of refrigerant required to top up systems, this figure was higher this year as more systems were serviced as Covid-19 restrictions were eased.

We continue to prioritise reducing emissions from refrigerants as part of our wider net zero target, but we will no longer report annually against this target.

#### Carbon neutral operations

In previous years, in addition to driving energy efficiency and procuring renewable electricity, we achieved carbon neutrality in our own operations by offsetting our residual Scope 1 and 2 GHG emissions. In line with our new net zero target, we are no longer investing in offsets to achieve carbon neutral status and are redirecting funds that would have been invested in offsets into our new Climate Innovation Fund.

The Climate Innovation Fund (see [page 22](#)) will invest in projects in our value chain alongside our trusted supplier partners, in our own operations and, where appropriate, to help identify solutions for industry-wide climate-related challenges.



## REDUCING WASTE AND EMISSIONS CONTINUED

### FOOD AND OPERATIONAL WASTE

#### Food waste

##### *Net zero priorities*

**Reduce food waste by 50% by 2030**

Since 2017/18 we have reduced food waste from our UK store operations by around 30%. We continue to refine and improve our plans to deliver our target of a 50% reduction by 2030.

Trading in 2021/22 continued to face Covid-related challenges, which contributed to an increase in our overall food waste of around 10% compared to 2020/21, as we balanced on-shelf availability with returning customer numbers.

To better match catalogue and product display to customer demand, with the objective of a substantial reduction in food waste, we will roll out new forecasting, ordering and space, range and display systems.

We are also looking at areas where we can remove "Best Before" dates such as fruit and vegetables, focusing instead on product quality to determine shelf-life.

We continue to innovate in our approach to reducing food waste by creating delicious new products from our surplus food.

Examples include:

- creating garlic bread from freshly baked in-store baguettes, which are then sold as frozen;
- smoothies made from surplus fruit and veg;
- "Go Bananas" bags, made up from extra ripe bananas and sold at a discount, including two recipes that have bananas as ingredients, such as banana bread and vegan banana muffins.

To help our journey to reduce food waste, we are working with a number of industry groups, including WRAP and the British Retail Consortium. We are signed up to the 2030 Courtauld Commitment, which helps to target reduced food waste in the UK food and drink sector.

#### Surplus food

##### *Net zero priorities*

**100% of edible surplus food to be redistributed by 2025**

M&S Food is too good to waste, so we continue to work in partnership with Neighbourly to redistribute surplus food from our stores to more than 1,450 hyper-local charities and community organisations. Our redistribution programme turns great-tasting surplus food into tasty meals and reduces waste.

Our aim is that 100% of edible surplus food is redistributed. In 2021/22, we donated 56% of our edible surplus food from our store operations. This came to 6,231 tonnes\*\* out of a possible 11,288 tonnes of edible surplus.

Since the launch of our Surplus Food Redistribution App in April 2020, redistributed volumes have increased; however, we recognise we need to do more to be at 100% by 2025.

To deliver this increase we have identified the following improvement areas:

- include edible surplus redistribution as a key measure for our stores, with targeted improvement;
- develop our Surplus Food Redistribution App to help store colleagues donate more;
- increase the number of M&S Café pre-packaged items included in our redistribution process.

#### UK M&S-operated stores

	This year 2021/22	Last year 2020/21	2017/18 baseline	% change on baseline
Total surplus food (tonnes)	<b>19,100**</b>	16,645	19,016	0%
Total edible surplus food (tonnes)	<b>11,288</b>	–	–	–
Edible surplus food redistributed (tonnes)	<b>6,231**</b>	4,991	840	+642%
^Edible surplus food redistributed (meal equivalents @420g/meal)	<b>14.8m**</b>	11.8m	2.0m	+640%
*Retail food waste (tonnes)	<b>12,869**</b>	11,654	18,176	-29%

\* Calculated by taking the total weight of unsold food collected and deducting averaged estimations for packaging, M&S Café and other types of food waste. These figures have been calculated in conformance with the Food Loss and Waste (FLW) accounting standard based on the 2018/19 and 2017/18 financial years for all M&S-operated stores in the UK. Our definition of food waste is all retail surplus food (edible and inedible) net of deductions for packaging.

^ The weight of flowers and plants has been removed from this calculation.



## REDUCING WASTE AND EMISSIONS CONTINUED



### PACKAGING AND PLASTICS

#### *Net zero priorities*

**100% of our packaging to be recyclable by 2025**

**Remove 1bn units of plastic food packaging by 2027 (equating to a 30% reduction in the volume of plastic food packaging)**

#### **Reducing plastic packaging**

We are supporting the UK Plastics Pact's nationwide target. Our aim is that by 2025, 100% of our plastic packaging will be recycled, reused or composted. For our Food plastic packaging we have set a more ambitious target to reach 100% recyclability by the end of 2022.

During the year, we removed 75 million pieces of plastic packaging from our Food business.

#### **Recyclability**

In 2021, overall, a higher percentage of our packaging was recyclable than ever before, at 91%, up from 87% the previous year. The year on year improvement was greater for plastic packaging specifically, which increased 11% in 2021.

This is following the roll out of our plastic takeback scheme to more than 500 stores this year (see [page 13](#)), which means customers can now easily recycle more of our plastic packaging, including 'soft' plastics that aren't typically collected for recycling by UK local authorities, such as bags, films, pouches and wraps.

#### **Carrier bags**

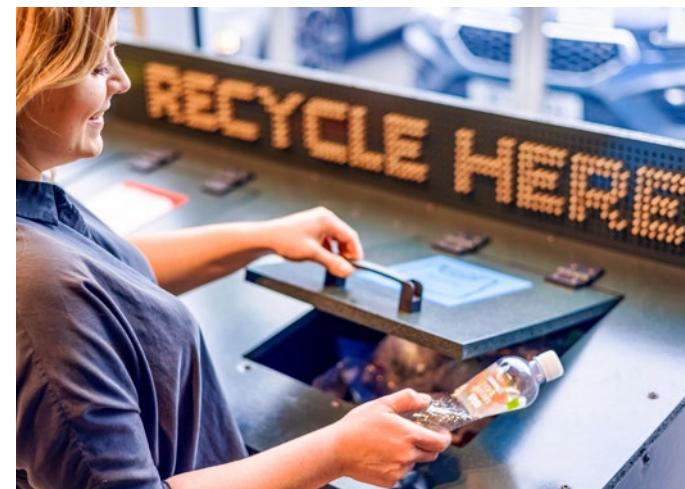
Our customers expect us to do the right thing and make the most sustainable choices on their behalf. We are led by science and aim to do the right thing for the environment.

For carrier bags, scientific opinion overwhelmingly considers that the correct choice is to use closed-loop plastic and encourage maximum reuse. Accordingly, our plastic bags are made from post-consumer plastic waste and can be recycled again and again.

Made from 100% recycled plastic and being fully recyclable, our plastic bags support the circular economy. We encourage our customers to use fewer bags and reuse the bags that they already own.

# 75 million

pieces of plastic packaging removed from our Food business



Recyclability of packaging**	All materials that are widely recycled		Plastic that is widely recycled	
	2021	2020	2021	2020
<b>Total sales packaging</b>	<b>91%</b>	87%	<b>79%</b>	68%
Food sales packaging	<b>95%</b>	90%	<b>89%</b>	73%
Clothing & Home sales packaging	<b>61%</b>	66%	<b>27%</b>	34%

### Operational waste

In 2021/22 as trading returned more closely to pre-pandemic levels, we saw a year-on-year increase of the volumes of operational waste, generating 78,474 tonnes of waste material. This was an increase of 25% vs last year, when large areas of our Clothing & Home store operations were closed. Although volumes increased, we continued to send no waste to landfill.

We continue to work closely with our waste contractors and merchants to identify opportunities for circularity, including using plastic transit packaging as a feedstock for our 'bags for life'.

UK and ROI store, office and warehouse waste in 000 tonnes	This year 2021/22**	Last year 2020/21	% change
Total waste	<b>78</b>	59	25%
Waste to landfill	<b>0%</b>	0%	-
Percentage recycled or recovered ^	<b>100%</b>	100%	-

<sup>^</sup> Includes a wide range of recycling technologies with energy-from-waste as a last option.

### WATER

As a retailer, we use relatively small and unchanged amounts of water every year: around 1 million m<sup>3</sup>. For this reason, our main actions on water are as part of raw material sourcing and supply chain management activities (see more on [page 32](#)).



## REDUCING WASTE AND EMISSIONS CONTINUED



Test and  
**LEARN** ↑



### Plastic Takeback

We have increased the number of stores collecting plastic waste through our plastic takeback scheme. Launched in 2019 the scheme is now available in more than 500 stores, where customers can return hard-to-recycle plastics including those not currently collected by many kerbside schemes. We aim to use the collected material to make our carrier bags, enhancing circularity. Read more in the case study on [page 13](#).

### Hangers

Over 1 billion hangers have been diverted from landfill through our hanger re-use programme, which asks customers to leave them at our till points or bring them back to our stores.

### Fill Your Own

In December 2019 we launched our packaging-free, refillable grocery concept, "Fill Your Own", offering 60 lines of refillable groceries including pasta, rice, cereal, and nuts.

Prior to the pandemic, our review of the success of the concept found that more than 40% of our Fill Your Own products outsell the packaged versions, and since launch we have saved 350,000 plastic units.

Based on this evidence, we have expanded the concept to a total of 15 stores in 2022. We are working through operational challenges and need to improve the scheme to ensure that product waste does not increase.

We're also trialling other refillable concepts in different product categories. "Refilled" offers our customers a refillable cleaning and laundry range. The trial was launched in two stores in April.

We support UK government plans to improve the UK's recycling system, to incentivise businesses to use more environmentally friendly or recyclable materials, and to ensure all our plastic gets recycled here in the UK. We're also teaming up with businesses and NGOs to encourage change across the wider retail industry and supply chain. We are members of the UK Plastics Pact.

# 350,000

plastic units saved by customers switching to Fill Your Own products



## WORKING WITH SUPPLIER AND BUSINESS PARTNERS ON NET ZERO

### *Net zero priorities*

Looking beyond our own operations to spark change and support decarbonising across our full value chain

# 100%

Our CEO has written to our global supply base to outline our plans to put sustainability at the heart of our transformation strategy

We know that we can't achieve our net zero target alone. As with our customers and colleagues (see [page 23](#)), we are collaborating with our supplier partners and the wider industry to generate the momentum needed to rapidly decarbonise our business and value chain.

As an own-brand retailer, we are uniquely positioned to work with our trusted supplier partners – from farms to factories – supporting them to innovate and adapt to the changing environment and to play their part in tackling global warming.

The scale of climate challenge is bigger and more urgent than ever before, and our CEO, Steve Rowe, has written to our global supplier base to outline our plans to put a sustainable future at the heart of the M&S transformation strategy.

As a starting point, we've asked all of our food suppliers to commit to supplying 100% deforestation and conversion-free soy, use renewable electricity, and aim for net zero emissions by 2040, in line with our own commitment.

In our Clothing & Home supply chain we're inviting selected tier 1 and tier 2 suppliers to complete the Higg Index Facility Environmental Module (FEM), so that we can understand more about their emissions and support them to reduce these (see next page).

Our collaborations with key partners across the retail industry include: WWF, the Consumer Goods Forum, WRAP's Courtauld Commitment 2030, Textiles 2030 and the National Farmers' Union. We are also a member of the Science Based Targets initiative's Business Ambition for 1.5°C, the UN's Race to Zero campaign and the British Retail Consortium's Climate Action Roadmap.

### **WWF**

We're a long-term partner with WWF and have signed up to their Retailers' Commitment for Nature, which works to halt the loss of nature and the risk it poses to our food systems. The aim of the commitment is to halve the impact on nature of what the average UK shopper buys by 2030.

The Retailers' Commitment for Nature is underpinned by the "WWF Basket", which has an overall ambition to halve the environmental impact of the UK's shopping baskets by 2030. The WWF Basket is made up of the Basket Blueprint for UK retailers, along with targets that will deliver the ambition of halving the impact of the average UK shopping basket. The metrics cover seven main areas: climate; deforestation and conversion of habitat; agricultural production; marine; diets; food waste; and packaging.





## DELIVERING CHANGE IN COLLABORATION CONTINUED

### Sustainable Apparel Coalition

As a Strategic+ member of the Sustainable Apparel Coalition, we use the Higg Index FEM as a standard measurement of supply chain sustainability, which helps us track improvements in our supply chain environmental performance.

We use data from the Higg FEM to help develop our supply chain programmes within our clothing categories and to support supplier partners to reduce the greenhouse gas emissions of their facilities. It also helps to understand complex environmental metrics such as air emissions and wastewater.

In 2021, we invited 107 supplier partners, who between them account for 80% of our tier 1 spend and 85 individual tier 2 suppliers to complete the 2020 FEM module. 73% of invited tier 1 suppliers and 98% of invited tier 2 suppliers completed the module during the year.

The completion rate for tier 1 suppliers was lower than the previous year for a variety of reasons; these included Covid-related disruption, conflict within supplier regions, and the fact that M&S only accounted for small volumes of business for some of the invited suppliers.

We encourage facilities to verify their FEM assessment, giving greater confidence in the accuracy of the data. This year we exceeded our 50% verification target, as data from 58% of tier 1 and 78% of tier 2 supplier partner facilities completing module submissions was independently verified.

Our forward-looking focus is to increase deployment of the Higg FEM programme to supplier partners who between them account for 90% of our tier 1 spend and to over 250 tier 2 suppliers. We offer training to all participating suppliers to help them understand and complete the audit. We are working on individual improvement and action plans with some facilities.

	Tier 1 Product manufacturers		Tier 2 Raw material manufacturers	
	2021**	2020	2021**	2020
Suppliers invited				
% of parent suppliers invited to complete the module (by cost value)	80%	65%	-	-
Parent suppliers invited to complete the module	107	50	-	-
Supplier facilities invited to complete the module	338	159	85	20
Module completion				
Supplier facilities that completed module	246	156	83	20
% of invited facilities that completed the module	73%	98%	98%	100%
Submission data verification				
Supplier facilities whose submissions were independently verified	143	48	65	15
% of facilities that completed the module that were independently verified	58%	31%	78%	75%

Suppliers completed the FEM module in the reporting year for the previous calendar year.  
2021 data here represents submissions made in 2021 for the 2020 FEM module.

\*\* Assured by DNV

### Higg Brand & Retail Module

We're not only working with our supplier partners through the Sustainable Apparel Coalition. We're also using the Higg Brand & Retail Module (BRM) to take a closer look at our own approach to social and environmental impact across a wide range of business operations.

The BRM provides scores that reflect the maturity of a brand or retailer's social and environmental policies and processes, from supply chain performance to company operations and logistics. This identifies hotspots for sustainability improvements.

Our first BRM assessment was completed in June 2021 and independently verified by year-end. The assessment has set a baseline for future improvements.

#### Management System



#### Brand



#### Stores



#### Operations and Logistics



#### Higg Brand and Retail Module overall scores

##### Environmental overall score

84.8%

##### Social overall score

90.8%

**CIRCULAR ECONOMY****Net zero priorities**

Enhancing our clothes recycling scheme with new incentives for Sparks members

**5 styles**

for the whole family in the M&S Jeans Redesign capsule collection

**DELIVERING CHANGE IN COLLABORATION CONTINUED**

We are committed to helping customers live lower-carbon lives. Part of this is embracing circular economics by keeping M&S clothes and products in use for longer, through resale, reuse and hiring initiatives such as those outlined below.

**Hirestreet**

In November 2021, we launched our first clothing rental trial with Hirestreet. Hirestreet is operated by the Zoa Group, which M&S has invested in through its Founders Factory joint venture accelerator programme. Our first rental edit was launched ahead of the Christmas party season and comprised more than 40 womenswear pieces from the Autograph range. Read more in the case study on [page 10](#).

**dotte**

In April 2022, we joined the dotte collective, the UK's first fully circular kidswear peer-to-peer marketplace where parents can buy, sell, donate and recycle outgrown kidswear. M&S is one of the most popular brands on dotte for resale, with over 400 items listed on the site.

**Shwopping**

Following the disruption of the pandemic, our Shwopping clothes recycling scheme ran throughout 2021/22. First launched in 2008, Shwopping is run in partnership with Oxfam. It allows customers to recycle their pre-loved clothes through collection points at all of our clothing stores.

Although the volume of clothes recycling has not yet recovered to pre-pandemic levels, we focused on enhancing the programme for our 15 million Sparks loyalty scheme customers. Now, when a Sparks customer donates clothes at one of our 260 clothing stores, a treat is automatically added to their Sparks account through the M&S app.

In 2021/22, 401,720 items of clothing were Shwopped, generating an estimated £227,000 for Oxfam. Since its launch in 2008, Shwopping has collected 35.7 million items, providing an estimated £23m in benefit to Oxfam.

**Designing out the negative impact of our jeans**

We are the UK's number one denim retailer, selling one in ten pairs of jeans. To continue reducing the impact of the denim we sell, we've joined The Jeans Redesign, a project led by the Ellen MacArthur Foundation.

Through the project we launched our first jeans collection produced to meet the project's guidelines. The styles in the collection have been designed and made with circularity in mind: made to be used for longer, to be made again and in a way that is better for garment workers and for the environment. We have maximised the use of easily recycled and renewable materials, such as recycled cotton, and removed unnecessary materials like metal rivets, which hamper the recycling process.

The M&S Jeans Redesign capsule collection includes five styles for the whole family, with jeans available across womenswear, menswear and kidswear, available exclusively on M&S.com.

**Textiles 2030**

We are a signatory to Textiles 2030, a voluntary agreement that launched in April 2021 and is funded by its signatories and the UK government. Signatories will collaborate on carbon, water and circular textile targets, and also contribute to national policy discussions with the UK government.

**Global Fashion Agenda**

We have joined the Circular Fashion Partnership in collaboration with Global Fashion Agenda. This is a new initiative to capture and recycle textile waste in Bangladesh by bringing major brands, manufacturers and recyclers together. The objective is to find successful circular processes that reduce textile waste and generate economic benefits in Bangladesh by accelerating the fibre recycling market.

The initiative focuses on Bangladesh because it offers a significant opportunity to enhance recycling of waste cotton from the country's large garment-producing sector. Cotton is a fibre with high recycling potential if the right recycling infrastructure is available to create new textile fibre.

We are working with eight factories in Bangladesh on the project. In the first year, up to February 2022, the factories started reporting on their waste and we connected more than 95 tonnes of cotton waste from the factories with textile recyclers, keeping this pure cotton fibre in the textile supply chain.



## ZERO DEFORESTATION SOURCING

### *Net zero priorities*

**100% of soy to be sourced from verified deforestation- and conversion-free regions by 2025/26**

**100% segregated responsibly-sourced palm oil by 2025/26**

# 76%

of the soy we source is from verified deforestation- and conversion-free regions

## DELIVERING CHANGE IN COLLABORATION CONTINUED

### **Soy**

The vast majority of soy we use is found in animal feed. To help tackle the challenge of deforestation seen as a result of soy production, we've strengthened our previous commitment and will now ensure 100% of soy used in animal feed is sourced from verified physically certified deforestation- and conversion-free supply chains by 2025/26.

We have a soy transition plan and our verification efforts are aligned with that as we move from driving 100% certified towards 100% physically certified. This means working closely with our supplier partners to ensure they are following our updated M&S Animal Feed Policy.

To help tackle deforestation challenges across the soy industry further, we work collaboratively throughout the sector. In November 2021, we joined other major UK companies in signing up to the UK Soy Manifesto, publicly furthering our commitment to cutting deforestation and natural habitat conversion by 2025. Other industry groups that we participate in include the Cerrado SoS Group, UK Roundtable for Sustainable Soy, the Retail Soy Group, and the Soy Transparency Coalition.

We continue to work with pig and poultry supplier partners, where the vast majority of our soy is used, on projects exploring alternative protein sources and reducing soy use as a whole. Currently 76% of the soy we source is certified, with 21% physically certified.

[Find out more about our approach to sourcing soy here →](#)

### **Palm oil**

Palm oil is the most widely used vegetable oil globally and is found in a range of food, household and beauty products. Palm oil production typically requires less than 50% of the land that other crops need to produce the same volume of oil. Despite this efficiency, high levels of demand bring greater risks of deforestation, peatland drainage and human rights issues faced by local communities and plantation workers.

To ensure we don't contribute to deforestation, we are committed to sourcing certified sustainable palm oil, the standards for which we set out in our M&S Palm Oil Policy. Our target is to source 100% segregated responsibly-sourced palm oil by 2025/26. In 2021, 100% of palm oil in M&S food products was certified according to the requirements of the Roundtable on Sustainable Palm Oil (RSPO). We continue to be members of the Palm Oil Transparency Coalition and are working to move 100% of M&S palm oil sourcing from a mass balance to a segregated model.

In Food we made good progress during the year, ensuring that 99% of our ingredient palm oil in edible goods came from RSPO segregated sources (2020/21: 25% mass balance, 75% segregated).

Despite this progress, the availability of segregated palm oil derivatives and fractions remains a challenge in categories like household products and beauty, and we recognise that global events in 2022 are starting to affect availability of alternative vegetable oils to palm oil. To reach our target, we are continuing to work with supplier partners and peers to increase the demand for RSPO segregated status.

We are part of the Edible Fats and Oils Coalition, which has been researching the issues associated with the alternatives to palm oil. We contributed to a research report comparing the environmental, social, nutritional and financial impacts of fats and oils used in foods globally. The report can be downloaded [here](#).

[Read the 2021 Edible Fats and Oils Coalition report here →](#)

[Find out more about our approach to sourcing palm oil here →](#)





## LOW-IMPACT FARMING

### *Net zero priorities*

We support our farmers to enable them to grow low carbon, responsible food, use fewer pesticides, enhance their soil, protect natural resources and drive innovation



The production of safe, good quality, nutritious food is a vital role played by the agriculture industry. In addition, farmers are stewards of the countryside through careful management of areas under their control.

Agriculture is a significant source of greenhouse gas emissions. To reach our net zero goal, we need to support our farmers through our Select Farms sourcing standards and activities to reduce their emissions while enhancing the environment and nature.

This is an evolving area for farmers, and for our UK farming base we will support industry bodies such as the farming unions and sector levy boards to develop and help implement sector-specific roadmaps, ensuring a common and coherent voice for change.

We know that one of the major sources of emissions is ruminant livestock. We have commissioned Scotland's Rural College (SRUC) to quantify the emissions footprint of different production systems of M&S beef. This will allow us to identify precise carbon reduction opportunities, and to scope and trial initiatives with our Indicator and Innovation farm partners to help define the options for scaling up action across the rest of our farming base. Over time we aim to take a similar approach for the other sectors of agricultural production in our supply chain, including dairy and cut flowers.

In 2021, we introduced our biodiversity-focused Farming with Nature programme to over 7,000 produce and livestock M&S Select Farms in the UK, aiming to help our farming base to become more resilient to the environmental challenges they face. The programme includes three pillars of activity:

## DELIVERING CHANGE IN COLLABORATION CONTINUED

### #1

#### *Enhancing environmental outcomes*

For produce farms, and in partnership with Linking Environment and Farming (LEAF), we're introducing verified modules on key environmental hotspot areas for M&S growers that build on the LEAF Marque standard. In 2021, we introduced Landscapes and Nature and Integrated Pest Management (IPM) modules and will report on verification progress annually. For livestock we are collecting environmental outcome data and we surveyed 2,369 M&S livestock farms in 2021.

### #2

#### *Specialist support*

We are funding a programme of support for M&S Select Farms delivered by specialists to share information and tools, and to enable peer exchange. Support in 2021 included:

- 140 tailored, virtual sessions on enhancing landscape and nature plans delivered to M&S growers by the Farming and Wildlife Agriculture Group (FWAG), plus ten farm visits to assess habitat quality and ten online events to enhance landscape-level biodiversity knowledge delivered by FWAG and The Wildlife Trusts;
- advice on carbon and regenerative agriculture provided to 20 M&S potato growers through the consultancy Soil Capital;
- sector-specific newsletters shared across livestock farms giving updates on M&S news, industry updates and progress across relevant Indicator and Innovation farms. We also participated in Farmers' Weekly "Transition" communications, to share our learnings with the wider industry.

### #3

#### *Insights, innovation and solutions*

We've set up a network of 19 Indicator and Innovation farms to trial and monitor new approaches to sustainable agriculture, communicating learnings with our wider farmer base. During 2021, with the support of The Farming and Wildlife Advisory Group (FWAG), the Game and Wildlife Conservation Trust (GWCT) and Fera Science, we worked to create a tailored plan for each farm and completed baseline assessments for the whole network.

A key priority for 2022, as we continue to work towards delivering our net zero 2040 target, will be building on this activity and developing a programme for carbon reduction into our Select Farm standards.

# 7,000

produce and livestock M&S select farms introduced to our biodiversity focussed Farming with Nature programme



## PLANT KITCHEN: INCREASING OUR RANGE OF PLANT-BASED PRODUCTS

*Net zero priorities*

**Double sales of vegan and  
vegetarian products by 2024**

Encouraging people to eat a more plant-based diet can contribute to tackling climate change because of the impact of meat and dairy production on the climate. Expanding our Plant Kitchen range of meat and dairy-free alternatives is one of our net zero priorities.

We launched Plant Kitchen in 2019 with a range of 60 items designed to meet growing consumer demand for environmentally friendly alternatives to meat and dairy. The range has continued to grow since then, and our new net zero target is to double sales of Plant Kitchen products to £90m by 2024 against a 2020/21 baseline year.

Through our Sparking Change project, we are encouraging our Sparks loyalty scheme members to make delicious, more sustainable meals from scratch, including a focus on getting more protein from plants.



## SUSTAINABLE SOURCING

Cotton, polyester and man-made cellulosic fibres (MMCFs) account for around 80% of fibres used in our Clothing & Home products. We're committed to using more sustainable sources of these fibres and to reduce their environmental footprint.

### Cotton

Cotton is an important raw material for its attributes such as softness and breathability. It accounts for more than half of our fibre mix. Depending on how and where it is sourced, however, cotton can be linked to significant social and environmental impacts.



Since 2012, our sourcing requirements have promoted cotton production that uses more water-efficient processes and fewer chemicals, fertilisers and pesticides, as set out in our M&S Cotton Sourcing Policy.

In 2019, we succeeded in converting 100% of the cotton used in our clothing to be sourced through Better Cotton or with organic and recycled certifications. We continue to maintain this by working closely with our supplier partners and through industry collaborations.

[Find out more about our approach to sourcing cotton here →](#)

### Polyester

*Net zero targets*

**100% verified recycled  
polyester by 2025/26**

Polyester is our second most used raw material in Clothing & Home. Versatile, durable and quick-drying, we use it in a wide range of products, from sportswear to schoolwear. In line with our net zero target, we aim for 100% of polyester we use to be verified recycled by the end of 2025/26. Using recycled polyester is a more sustainable option because it avoids the extraction of new raw materials and energy-intensive processing.

In 2021/22, 35% of the polyester we used across Clothing & Home was verified recycled.

We will continue to work with our supplier partners to implement our polyester sourcing requirements, which are set out in our M&S Recycled Material Sourcing Policy.

[Find out more about our approach to sourcing polyester here →](#)

### Man-made cellulosic fibres

MMCFs are mainly made from wood pulp and the most common form is viscose, our third most used raw material in Clothing & Home products. Other examples used in textiles are lyocell and modal.

To eliminate the risk of deforestation within our MMCF supply chain, and to support biodiversity protection and mitigate carbon emissions, we partnered with the CanopyStyle Initiative in 2015 and strengthened our MMCF sourcing requirements in our M&S Man-Made Cellulosic Fibre Sourcing Policy.

We are committed to using only MMCFs from supplier partners with the highest environmental credentials by the end of 2025. In practice this means the MMCFs we use have a low risk of deforestation in their supply chain and are made using the best available technology.

In 2021/22, 31% of the MMCFs used to make our products came from an M&S preferred sustainable source (2020/21: 13%). To enhance supply chain transparency, we publish the locations of our MMCF supplier partners on our M&S interactive sourcing map.

We are also aiming to use "next generation" cellulosic fibres, that are produced with alternative raw materials, such as textile waste or agricultural by-products in our clothing.

[Find out more about our approach to sourcing MMCFs here →](#)



# Better Products

We put quality at the heart of everything we do – especially when it comes to how we source and make our products

We know our customers want to do the right thing when they're shopping, choosing products that are good for them, the planet and the people who make them.





# OUR APPROACH TO PRODUCT STANDARDS

---

As an own-brand retailer we have a fantastic network of trusted supplier partners, and we work with them to find innovative, new and better ways of doing things – whether it's helping to reduce emissions, cutting out waste, improving workers' lives, sourcing more responsibly or prioritising animal welfare.

Our comprehensive policies, codes of practice and guidelines set out our minimum requirements for supplier partners in all of these areas and more. They ensure we deliver products to our customers that are safe, legal, high quality and produced with integrity.

We are committed to sourcing 100% of our priority raw materials ethically and sustainably by 2025, and to support transparency we publish all of our sourcing policies and standards on our website.

The performance update table on [pages 43 and 44](#) show progress against all of our product and sourcing standards.





## PRODUCT STANDARDS CONTINUED

### CLOTHING & HOME STANDARDS

#### Eliminating hazardous chemicals

We want to protect consumers and reassure them that our Clothing & Home products are not made using hazardous chemicals. We also want to do all we can to address the possible impact of hazardous chemicals on production workers, local communities, and the natural environment. To do this, our chemical policy goes beyond traditional approaches, which often only apply chemical restrictions to finished products.

As a signatory brand of Zero Discharge of Hazardous Chemicals (ZDHC), our Environmental & Chemical Policy is aligned with its latest Manufacturing Restricted Substances List (the ZDHC MRSList V2). This covers substances banned from intentional use in any facilities that process textiles, leather, rubber, foam, adhesive and other elements that feed into our Clothing & Home products.

To deliver progress in this area we have updated and rolled out our factory self-audit programme and increased visits to manufacturing sites. We're encouraging our tier 2 suppliers, such as fabric and component manufacturers, to register on the ZDHC Gateway. This gives them access to a database of MRSList-compliant chemistry. We're also supporting fabric mills to complete the ZDHC Supplier To Zero programme, which guides them towards improved chemicals management.

Dyeing is also an area of focus. We've been working with our fabric mills to introduce more resource-efficient dyeing methods to reduce impacts such as energy and water use, as well as excluding hazardous chemicals. Examples include cold patch-dyeing and substituting pigment dyeing with more natural, tea-based dyes that are produced from iced tea factory waste in Sri Lanka. We're also working to replace standard indigo fabric dyes with pre-reduced indigo by mid-2023, which is a cleaner, more resource-efficient alternative, using less water and fewer chemicals during fabric dyeing.

#### Microfibres

We've been a member of The Microfibre Consortium (TMC) since 2018, which works to accelerate research and find solutions to tackle the microfibre issues. We know that microfibres from all types of fibre pose a risk, and through TMC we've supported research through direct funding and material donations and closely collaborated with the industry. As a member, we are aiming for effective solutions to mitigate textile fragmentation by 2030.

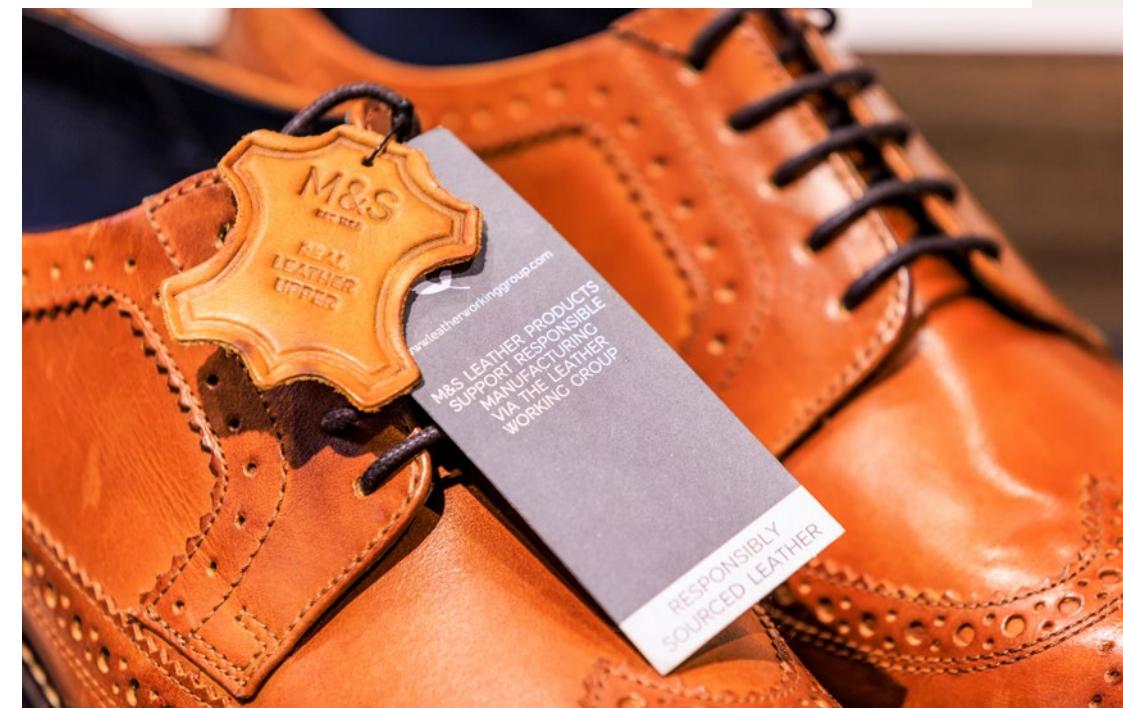
#### Leather

The Leather Working Group (LWG) is a member-led non-profit organisation working to improve practices and minimise environmental impacts across the global leather supply chain. M&S has been a member since 2005. The LWG audit covers most environmental and social risks at tannery level, including chemical and environmental management, material traceability, waste management and worker safety.

In calendar year 2021, 90% of our leather came from LWG-certified tanneries, of which 63% are gold-ranked and 27% silver-ranked. This is a 24% increase from the 73% of leather sourced from LWG-certified tanneries in 2020.

**90%**

of the leather we use comes from tanneries certified to the Leather Working Group, which works to raise standards and reduce environmental impacts in the global leather industry. This is an increase of 24% since 2020.





## PRODUCT STANDARDS CONTINUED

### FOOD STANDARDS

#### Fresh produce

We source over 100,000 tonnes of fresh whole fruit, vegetables and salad crops each year from M&S Select Farms that we know and trust to meet our Select Farm Sourcing Standards, including Red Tractor or Global GAP standard, and the M&S Pesticide Policy.

Beyond production and quality standards, M&S Select Farms also uphold high environmental standards. As part of our Select Farms sourcing requirements in the UK, we ask for all of our British growers to be LEAF (Linking Environment and Farming) Marque certified. In partnership with LEAF, all growers are verified annually against a series of M&S modules designed to enhance environmental outcomes in key hotspot areas.

We introduced the first module – Landscapes and Nature – in 2021 and verified 280 Select Farms against the requirements. This module encourages growers to work with environmental advisers; enhance their landscape and nature plans; enhance the quality of a minimum of 5% of farmland for wildlife; monitor key species; and work beyond the farm gate on biodiversity opportunities at landscape level.

Beyond the UK, almost 50% of our growers have an approved environmental scheme in place, which includes LEAF Marque, organic and Rainforest Alliance, amongst others.

We are working with our current grower base on Farming with Nature standards and LEAF accreditation, keeping the environment at the heart of what we do. We are working through our standards and governance process and will include an update in 2022/23 once finalised.

#### Pesticides

Pesticides have clear benefits in agriculture, but there are biodiversity and health risks linked to their overuse. We encourage responsible and reduced pesticide use through our M&S Pesticide Policy, which has been independently reviewed by Pesticide Action Network UK.

Through our Farming with Nature programme in the UK, we're working with external partners, such as LEAF, and our Indicator and Innovation farm network to provide specialist support, guidance and best practices to enhance our growers' integrated pest management (IPM) approaches and demonstrate reduced reliance on pesticides. In February 2022 we introduced an Integrated Pest Management (IPM) module for M&S growers in partnership with LEAF and we have a programme of IPM support planned over the course of 2022/23 for growers through webinars and farm visits.

#### Water

For many years we've worked with trusted supplier partners and expert partners, such as WWF, to address water-related risks and impacts. Water scarcity poses a very real threat to our food system, communities globally and the environment.

We're signatories to the WRAP 2030 Water Ambition, working together with others in the UK food and drink industry towards a target of 50% of the UK's fresh food being sourced from areas with sustainable water management.

We're also directly funding collective water stewardship projects in the UK, Spain and South Africa as we continue to play our part in creating long-lasting, impactful change to protect water resources.



**280**

of our Select Farms have been verified against our Landscape and Nature environmental module



## PRODUCT STANDARDS CONTINUED

### OTHER FOOD PRODUCT STANDARDS

#### Tea and coffee

We don't only source the best tasting, quality tea and coffee from growers and co-operatives around the world. We also work to ensure they are produced to high environmental and social standards.

We became the first retailer to source only Fairtrade-certified coffee for our M&S Cafés in 2004, and in 2006, we were the first retailer to source only Fairtrade-certified tea across all of our products. In 2021/22, 100% of tea and coffee in M&S Foodhalls and Cafés remained Fairtrade-certified, and our growers collectively receive over £1.5m in Fairtrade premiums each year.

We believe in providing transparency for our supply chain, and since 2019 our M&S interactive sourcing map has fully disclosed the locations of M&S tea and coffee growers and co-operatives.

[Access our Interactive supply chain map here →](#)

# 100%

of our tea and coffee remains Fairtrade certified, and 100% of our cocoa is from verified sustainable sources

#### Update on Assam

We know over the past year the situation in Assam has been challenging when it comes to Fairtrade approval. We are working closely with our supplier partners and the Fairtrade Foundation to help address the challenges in the Assam region and to agree a Fairtrade model that benefits workers in Assam, while also giving M&S access to this vital ingredient for our tea blends.

[Find out more about our approach to sourcing tea here →](#)

[Find out more about our approach to sourcing coffee here →](#)

#### Cocoa

Cocoa We use cocoa in more than 1,000 M&S products, including our chocolate bars, cakes, biscuits and desserts. We've been working to improve our approach to sourcing more sustainable cocoa, focusing on the future viability of cocoa as an ingredient and helping improve cocoa growers' lives.

Our aim is to keep sourcing 100% of cocoa used in M&S-branded products from verified sustainable sources, a target we first achieved in 2017. We work in partnership widely across the industry and are committed to joining efforts to improve cocoa sustainability.

[Find out more about our approach to sourcing cocoa here →](#)

#### Nuts

Nuts We are committed to making sure that all our nuts meet the responsible sourcing approach we set out in our M&S Raw Material Requirements & Guidance for Nuts, which we shared with our supplier partners during 2021.





# RAW MATERIAL STANDARDS

PRODUCT CATEGORY	RAW MATERIAL	COMMITMENT	KPI	2021/22 PERFORMANCE
<b>Produce</b>	<b>Fresh produce</b>	Maintain 100% fresh produce meeting UK Red Tractor or Global GAP standards and M&S Non-GM, Pesticides and Select Farm Standards	% fresh produce meets UK Red Tractor or Global GAP standards and M&S Non-GM, Pesticides and Select Farm Standards	<b>100%</b>
		100% of UK growers certified to LEAF Marque by December 2022	% UK growers certified to LEAF Marque	<b>97%</b>
		100% of UK LEAF Marque growers to be verified to all M&S Farming with Nature Modules	% growers reporting to meet all requirements (Landscape and Nature module)	<b>60%</b>
			% growers passed annual verification (Landscape and Nature module)	<b>94%</b>
		Total number of M&S growers with an environmental scheme in place	% growers with an approved environmental scheme in place	<b>48%</b>
	<b>Flowers &amp; plants</b>		% flower/plant growers meet Global GAP Flowers & Ornamental Standard (or equivalent) and M&S Non-GM and Pesticides Policy	<b>In progress</b>
<b>Commodities</b>	<b>Tea &amp; coffee</b>	Maintain 100% Fairtrade-certified tea and coffee across M&S products	% Fairtrade-certified	<b>100%</b>
	<b>Cocoa</b>		Amount paid to growers through Fairtrade premiums	<b>£1,709,643</b>
		Maintain 100% cocoa from verified sustainable sources (UTZ Certification/Rainforest Alliance/Fairtrade-certified/third-party verified HORIZONS cocoa/Olam Livelihoods Charter)	% cocoa from verified sustainable sources (UTZ Certification/Rainforest Alliance/Fairtrade-certified/third-party verified HORIZONS cocoa/Olam Livelihoods Charter)	<b>100%</b>

**RAW MATERIAL STANDARDS CONTINUED**

PRODUCT CATEGORY	RAW MATERIAL	COMMITMENT	KPI	2021/22 PERFORMANCE
<b>Palm &amp; soy</b>	<b>Palm oil</b>	Source 100% M&S palm oil from responsible sources by 2020	% M&S palm oil in Food products meeting RSPO segregated or mass balance standards	<b>100%</b>
			Palm oil used in M&S-branded products (tonnes)	<b>5,724</b>
		100% palm oil in food products to be sourced from RSPO segregated targets by 2021	% palm oil with segregated status	<b>99%</b> (excluding processing aids and Homecare)
			% palm oil mass balance	<b>1%</b>
	<b>Soy</b>		Total amount of soy used in M&S-branded products (directly and indirectly through animal feed) (tonnes)	<b>75,941</b>
			Total amount of soy used in animal feed (tonnes)	<b>75,614</b>
		100% deforestation- and conversion-free soy by 2025/26	% soy used in animal feed from certified deforestation and conversion supply chains (as a ratio of the total soy used in animal feed in M&S Food products)	<b>76%</b>
			% soy used in animal feed that is sourced from physically certified deforestation- and conversion-free supply chains (as a ratio of the total soy used in animal feed in M&S Food products)	<b>21%</b>
<b>Wood</b>	<b>Timber/paper/card</b>		% supplier partners that are required to comply with the M&S Wood Sourcing Policy	<b>100%</b>
<b>Clothing &amp; Home</b>	<b>Cotton</b>	Maintain 100% sustainably sourced cotton in M&S-branded clothing	% of cotton used in M&S-branded clothing sustainably sourced	<b>100%</b>
	<b>Polyester</b>	100% conversion to preferred fibres by 2025	% conversion to preferred fibres	<b>35%</b>
	<b>Man-made cellulosic fibres (viscose, modal, lyocell)</b>	100% conversion to preferred fibres by 2025	% conversion to preferred fibres	<b>31%</b>

Find out more about our approach to sourcing Food raw materials, commodities and ingredients here →

Find out more about our approach to sourcing Clothing and Home fibres and fabrics here →



# ANIMAL WELFARE

## ANIMAL WELFARE IN FOOD

Animal health and welfare is an integral part of a sustainable food system. We work towards the highest standards in this area guided by our M&S Policy for Farm Animal Health and Welfare.

### Monitoring farms that supply us

All farms that supply us with animal-derived products are responsible for undertaking the M&S Select Farm Sourcing Standard Audit every 12-18 months, depending on the species being farmed. In 2021/22, 10,972 farms were audited (2020/21: 11,511) and our audit partners, Food Safety Integrity Group (FSIG), trained 146 Select Farm assessors.

During the year we worked with our supplier partners on developing an M&S Select Farm Assessment app that will allow us to capture our Select Farm Assessment results and additional farm-level environmental practices and metrics in real time.

As well as the Select Farm app, FSIG have developed an enhanced training course for our Select Farm assessors and a new Select Farm Portal, which provides Assessors with access to the latest codes of practice and training materials. During 2022/23 FSIG will be running a programme of witnessed Select Farm audits to ensure consistency with the M&S Select Farm Sourcing Standard.

### 100% higher-welfare, slower-reared chicken

We are the first major retailer to sell only higher welfare, slower-reared chicken across our full range of fresh chicken products. Our slower-reared birds are fed on a special multigrain diet that supports their slower growth, and by autumn 2022, all our fresh chicken will be slower-reared, British and RSPCA Assured. For more details see the case study on [page 17](#).

[Find out more about our approach to sourcing poultry here →](#)

### Higher-welfare pork

All of our fresh and ingredient British pork now meets a newly launched welfare standard, which is British RSPCA Assured, outdoor bred and finished on deep straw bedding.

In 2021/22 we've also been working to ensure higher welfare standards for all pork from the European Union (EU) that is used to make our charcuterie. We've set a target that all EU-sourced pork used for EU charcuterie production will come from farms operating free farrowing breeding systems and higher-welfare finishing units by the end of 2022.

Free farrowing systems provide mother pigs with comfortable bedding and nesting materials that allow them to display natural nesting behaviour. We are working with farms to make sure the systems used also prevent crush injuries, helping to reduce piglet mortality, and that mother pigs can move around freely to engage with their environment during gestation and lactation.

[Find out more about our approach to sourcing pork here →](#)





## ANIMAL WELFARE CONTINUED



### M&S Scottish salmon

Our aim is to ensure that all wild-caught and farmed seafood and aquafeed, including M&S Scottish salmon, come from the most responsibly managed sources. This helps safeguard our supply chains and aquatic ecosystems, as well as livelihoods in coastal communities. We only work with fisheries and farms that meet our M&S Seafood Sourcing Standard for Wild-Caught, Farmed Fish & Shellfish, which covers all fish and shellfish found in M&S products – be it fresh, frozen, canned or within our meals.

All of the salmon we sell is Scottish salmon and 100% of farmed salmon is certified to RSPCA Assured standards.

**Find out more about our approach to sourcing fish and shellfish here →**

### ANIMAL WELFARE IN CLOTHING & HOME

We use some animal-derived raw materials, such as wool and cashmere, to make our Clothing & Home products. The health and welfare of all animals connected to our supply chain is very important to us and applies equally to our Clothing & Home products as our food products.

Guided by our M&S Clothing & Home Animal Welfare Policy, we've continued to improve the sourcing of the animal-derived raw materials in Clothing & Home. We work in collaboration with industry-leading organisations and NGOs to enhance our own progress and support systemic industry change.

We're a member of the Sustainable Fibre Alliance, an international non-profit dedicated to promoting a global standard for cashmere production to preserve and restore grasslands, ensure animal welfare and secure livelihoods. During 2021/22 we directly supported the training of cashmere goat herders, and we will be tracking the amount of certified cashmere that goes into M&S products during the 2022 Autumn/Winter season.

With wool sourcing, we are increasing our use of certified and more sustainable wool across our Clothing & Home products, including a mixture of Responsible Wool Standard and recycled wool in line with our Responsible Wool Sourcing Policy. We have set requirements this year to accept only certified mohair, which will start to feed into our products during 2022.

**Find out more about our Clothing & Home animal welfare standards here →**



# ANIMAL WELFARE STANDARDS

PRODUCT CATEGORY	RAW MATERIAL	COMMITMENT	KPI	2021/22 PERFORMANCE
<b>Aquaculture &amp; fisheries</b>	<b>Aquaculture &amp; fisheries</b>	100% responsibly sourced seafood	% responsibly sourced seafood	<b>100%</b>
			Ratio fish used in M&S-branded food products farmed : wild-caught	<b>41% farmed : 59% wild-caught</b>
	<b>Farmed fish &amp; shellfish</b>	Maintain 100% of farmed fish and shellfish for M&S products coming from third-party certified sources	% farmed fish and shellfish for M&S products came from third-party certified sources	<b>100%</b>
<b>Livestock – Meat, poultry, milk &amp; eggs</b>	<b>Livestock &amp; aquaculture</b>	Maintain tier 1 in the Business Benchmark on Farm Animal Welfare (BBFAW)	Tier in the Business Benchmark on Farm Animal Welfare (BBFAW)	<b>Tier 1</b> (maintained since 2013)
		Maintain 100% of M&S supplier partners reporting on animal welfare outcome measures	% of M&S supplier partners reporting on animal welfare outcome measures	<b>100%</b>
			Total number of global Livestock & Aquaculture Select Farms supplying M&S	<b>14,168</b>
			Number of supplier partners farms to undertake the M&S Select Farm Sourcing Standard Audit	<b>10,972</b>
			Number of Select Farm Audit Assessors trained by FSIG	<b>146</b>
			Number of M&S animal welfare audits conducted (abattoir)	<b>41</b>
			Number of M&S animal welfare audits scored "Good" or above	<b>33</b>
		Maintain 100% of M&S livestock and fish & shellfish supplier partners adhering to M&S Antibiotic Usage Policy	% M&S livestock and fish & shellfish supplier partners adhere to M&S Antibiotic Usage Policy	<b>100%</b>
		Grow RSPCA Assured M&S product range	Number of species adhering to RSPCA Assured certification	<b>6</b> (eggs, pork, milk, Oakham Cold chicken, farmed salmon, farmed trout)



# ANIMAL WELFARE STANDARDS

PRODUCT CATEGORY	RAW MATERIAL	COMMITMENT	KPI	2021/22 PERFORMANCE
<b>Livestock – Meat, poultry, milk &amp; eggs</b> continued	<b>Beef, lamb, pork, chicken</b>	Maintain 100% M&S-branded fresh, frozen and ingredient meat and poultry products meeting UK Red Tractor standards (or equivalent) and M&S Select Farm standard	% M&S-branded fresh, frozen and ingredient meat and poultry products meet UK Red Tractor standards and M&S Select Farm standard	<b>100%</b>
	<b>Milk (cows)</b>	Maintain 100% M&S milk meeting UK Red Tractor standards and is RSPCA Assured (excluding organic)	% M&S milk meets UK Red Tractor standards and is RSPCA Assured (excluding organic)	<b>100%</b>
	<b>Eggs</b>	Maintain 100% free range M&S-branded eggs	% free range M&S-branded eggs	<b>100%</b>
		Maintain 100% M&S-branded eggs meeting an independently assured M&S accepted standard (Code of Practice for Lion Eggs, Duck Assurance Scheme (DAS) – Eggs, or KAT Standard)	% M&S-branded eggs meet an independently assured M&S accepted standard (Code of Practice for Lion Eggs, Duck Assurance Scheme (DAS) – Eggs, or KAT Standard)	<b>100%</b>
		Maintain 100% M&S-branded eggs RSPCA Assured by 2020	% M&S-branded hen eggs RSPCA Assured	<b>100%</b>

Find out more about our approach to raw materials, commodities and ingredients here →



# HEALTH AND WELLBEING

A significant part of what we do at M&S is food retail, so we recognise the importance of enabling health and wellness through customer choice, as well as our duty to be responsible in how we sell and market food products.

For more than 10 years, our dedicated health strategy has supported customers to make healthier choices. Our commitment is to lead the promotion of healthy lifestyles and wellbeing through innovative products and promotions.

## Eat Well

Our Eat Well health seal of approval was launched in 2005 as a signpost for healthy food choices. We developed our criteria for healthy food choices in consultation with the British Nutrition Foundation. Eat Well makes it easier for customers to make healthy and delicious choices, they can simply look for the Eat Well flower across 1,000s of products.

An M&S product only achieves the Eat Well health seal of approval if it fulfils evidence-based, nutritional criteria reviewed by our expert nutritionists, in line with healthy-eating guidelines. In 2017, we set a target to achieve 50% of sales in our Food business from healthier products by the end of 2022.

In 2021/22, 36%\*\* of M&S Food sales were Eat Well products. Although this is slightly lower than this time last year (38%), we are focused on meeting our target by the end of 2022 based on the product range and promotion activity we have planned.



We have an extensive reformulation programme in place to reduce the number of HFSS products and aim to achieve our 2024 calorie and salt targets. We've continued to reformulate products in core ranges, such as meals, deli, soft drinks and snacking to enhance their nutritional content. Our Eat Well criteria have been updated to ensure products are not classed as HFSS under the Government's definition.

To increase sales volumes in the coming year, we will increase the number of healthy choices available to our customers both through product reformulation and new product development. We'll help customers understand more about healthy eating and our Eat Well branded products, as well as make it easier for them to navigate our healthier choices in store.

We're promoting Eat Well through large-scale in-store posters, and adding Eat Well to shelf edge tickets and in features in our What's Fresh magazine.

To make sure that healthy choices are affordable for all of our customers, we always ensure that at least one-third of our Remarkable range of value products are also Eat Well products. Read more in our case study on [page 11](#).

## Tobacco and alcohol

M&S does not sell tobacco products. Alcohol is a single-digit percentage of our sales. We're committed to selling alcohol responsibly. We provide unit and calorie information on our alcohol labels, have developed a range of lower-alcohol and non-alcoholic drinks and cocktails, and actively support Drinkaware, an independent charity which aims to reduce alcohol-related harm by helping people make better choices about their drinking.

[Find out more about our approach to health and wellbeing here →](#)



# ETHICAL TRADE AND HUMAN RIGHTS IN THE SUPPLY CHAIN

## COLLABORATION TO SUPPORT PEOPLE IN SUPPLY CHAINS

### Our position

At M&S, we have always believed that caring for our people, building trusted partnerships with supplier partners, and taking a long-term approach to protect the planet for tomorrow is not just good citizenship: it's good business.

The M&S Global Sourcing Principles (GSP), updated in 2022, are founded on treating everyone fairly and with respect, taking a zero-tolerance approach to discrimination and unacceptable behaviour, ensuring our actions today protect the planet for tomorrow, and treating supplier partners fairly.

Our updated Sourcing Principles align with our Human Rights Policy and our Code of Conduct. All three policy tools help us operate in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGPs) and were formulated using the OECD Guidelines for Multinational Enterprises. We will not tolerate nor condone any abuse of human rights within any part of our business or supply chains, and we will take seriously any allegations of human rights breaches.

As an employer and buyer, we aim to pay a fair price to supplier partners, to support local communities and to ensure good working conditions for everyone working in our business. In an increasingly interconnected world, there is ever closer scrutiny of corporate impact on people and communities, so transparency is vital. Through robust governance procedures, this approach and our reporting are reviewed so they can adapt as conditions and risks evolve. Governance of the risks and impacts relating to responsible sourcing and human rights at M&S is overseen by our CEO, supported by the ESG Committee. Further detail can be found on [page 63](#).

Find out more about how we embed human rights in our business practices here →

### Context

This year was dominated by the global context, with operating conditions affected by the ongoing health consequences and rising social inequality that resulted from Covid-19. Further global contextual factors included: Brexit-related trading challenges in Europe; the regulatory focus on Xinjiang; Karnataka wage concerns; and the humanitarian crisis in Ukraine, which affected our colleagues in each of these regions.

In 2021 our focus was on supporting our colleagues and supplier partners through such challenges. In practice, this meant assessing our management approach and strengthening our standards. We have also amplified the importance of worker perspectives across our business as we reset our colleague training and engagement programmes.

During the year we continued to make progress. We carried out a human rights impact assessment in Kenya, introduced a new standard into our Food supply chain and extended our focus on social assessments into deeper tiers of our Clothing & Home supply chain. We supported vulnerable people in our supply chains by playing our part in multi-stakeholder initiatives in the Bangladesh, India, Turkey and Kenya.

We continued to collaborate through a number of initiatives to inform our approach to human rights, share experiences and help address root causes. Our CEO Steve Rowe continued his leadership role in the Consumer Goods Forum's Coalition on Forced Labour and Human Rights.





## ETHICAL TRADE AND HUMAN RIGHTS IN THE SUPPLY CHAIN CONTINUED

### WE HAVE STRENGTHENED OUR STANDARDS AND RAISED THE IMPORTANCE OF HUMAN RIGHTS

#### Salient human rights impacts

We operate in a diverse range of geographies, consumer cultures and regulatory environments. Against this backdrop, it is important to understand where our operations and sourcing impact adversely on individuals and to prioritise our efforts in these areas. As part of our due diligence procedures, we map our business operations and supply chains in order to evaluate human rights risks and impacts on people according to industry sector and geography. Through risk assessment and due diligence we consider and define key issues where we believe we can have the biggest impact on people affected by our business.

In 2016 we defined our salient human rights issues as:

- discrimination (and women's rights);
- forced labour;
- freedom of association;
- health and safety;
- living wages;
- water and sanitation; and
- working hours.

Focusing on our salient human rights issues provides a framework for us to monitor our progress against internationally recognised human rights standards, including the UNGPs.

We understand that while these issues are still very much relevant to us as a business, we will review them as a priority for the coming year in collaboration with internal and external stakeholders.

#### Stronger standards, engagement and delivery

From grass-roots to boardroom, we continue to work on evolving our sourcing practices. In 2021/22 we improved our supplier mapping, and checked the effectiveness of category risk assessment and auditing. Our CEO Steve Rowe continued his leadership role in the Consumer Goods Forum's Coalition on Forced Labour and Human Rights.

First launched in 1998, our GSP apply to all procurement contracts across all categories of supply. The GSP set out the minimum acceptable standards that all supplier partners globally are required to uphold, both in their own operations and in their own supply chains, in relation to: human rights and environmental standards; labour conditions; corporate integrity; and regulatory compliance.

Our supplier partner relationships are built on open, transparent discussion and shared commitment to continuous improvement. This approach is good for business and guides how we work with supplier partners; as an own-label business, relationships with them are critical to differentiating M&S. To accompany the GSP, we developed the M&S Supplier Partner Guidelines provide practical support to our supplier partners in successfully implementing the requirements and expectations of the GSP.

[Find our Global Sourcing Principles here →](#)



MARKS & SPENCER

#### GLOBAL SOURCING PRINCIPLES





## ETHICAL TRADE AND HUMAN RIGHTS IN THE SUPPLY CHAIN CONTINUED

### **M&S Food Human Rights Standard**

In 2021 our new M&S Food Human Rights Standard became a requirement for all our food supplier partners. It aims to protect the customer, maintain brand integrity, and uphold our human rights commitment.

The Standard evolves how we work, by defining six demonstrable outcomes to be achieved by supplier partners in areas such as due diligence, enabling supplier partners to assume responsibility, and training those who need help.

#### **1. DRIVING STANDARDS EVERY DAY**

**Outcome required:** The people who cultivate and pack M&S Food products are treated with respect, and their health, safety and human rights are safeguarded in the workplace.

#### **2. HUMAN RIGHTS DUE DILIGENCE**

**Outcome required:** The supplier partner manages and mitigates negative human rights impacts in their own supply chains.

#### **3. ACCESS TO REMEDY**

**Outcome required:** The supplier provides remediation for any negative impacts they have contributed to, or caused.

#### **4. BUILDING CAPABILITIES**

**Outcome required:** The supplier has the capacity, responsibility and resources to manage human rights and ethical trade objectives within the M&S Food supply chain.

#### **5. WORKING IN PARTNERSHIP TO TACKLE COMMON ISSUES**

**Outcome required:** The most common issues are tackled in collaboration with suppliers, wider industry bodies, NGOs and others.

#### **6. RESPONSIBLE PURCHASING PRACTICES**

**Outcome required:** Our purchasing practices aim to support multiple tiers of supplier to deliver the M&S Food Human Rights standard.

### *New human rights due diligence support for food supplier partners*

To help deliver the new M&S Food Human Rights Standard, we have created specific guidance on human rights due diligence (HRDD) and remedy. Drawing on existing recognised resources and practices, this is freely available and easily accessible. We have also offered webinars, supplier partner networking, and direct support.

A supplier partner completing the guidance will understand and be able to adopt the six steps of HRDD in line with the requirements of the UNGPs: policy commitment, assessing and prioritising, preventing, reducing and mitigating, tracking and monitoring, remediating and communicating.

In 2021, we conducted 56 HRDD reviews, including our top 30 supplier partners of high-risk products from a human rights perspective. This work between supplier partners and our commercial, technical and human rights teams is transforming how M&S colleagues build human rights into business decisions. The first year of the new due diligence focused on information-gathering and awareness-raising, but already we see an increased appetite for further action, both internally and from our supplier partners. We have shared our learning from our first year with our supplier partners to drive forward our programme next year.

**Find our Food Human Rights Standard here →**

**Find our Human Rights Due Diligence guidance here →**

### **Extending social assessments in Clothing & Home supply chains**

In line with our commitment to source all raw materials ethically and sustainably by 2025, we are expanding our evaluation of social impacts further up the supply chain for Clothing & Home products.

We now use the Higg Index Facility Social and Labour Module (FSLM) in our top tier 2 facilities. This provides us with greater transparency of our Clothing & Home supply base, and a clearer assessment of human rights risks, social performance and labour conditions in our tier 2 facilities. In 2021, 83 of our top fabric suppliers completed the FSLM and in 2022 we are extending this further, to include the top 250 facilities. Our key focus for 2022 is to strengthen tier 2 monitoring, corrective action and continual improvement processes.

To support the expansion, we have taken on four additional members in our sourcing offices, and a data analyst in the UK. The presence on the ground in our sourcing regions enables us to carry out site visits and provide the vital capacity-building support to our tier 2 facilities.



## ETHICAL TRADE AND HUMAN RIGHTS IN THE SUPPLY CHAIN CONTINUED

### Strengthening standards in purchased products and services

Our Goods Not for Resale (GNFR) category includes those products and services we buy to run our business. GNFR covers logistics, operations, marketing, technology, HR, property, facilities management and packaging costs. We have over 2,100 GNFR supplier partners, with the top 250 accounting for 94% of total spend. All GNFR supplier partners must also comply with our minimum standards.

GNFR supplier partners are assessed through the EcoVadis platform on policies and processes for systematically managing performance improvements on colleague health and safety, working conditions, social dialogue, diversity, child labour and human rights.

To date, 81% of our supply base is currently assessed in this way; all new supplier partners are invited to join the programme. In 2022, we will build on this with additional procurement training and targeted due diligence in high-risk industries.

### Raising importance of human rights

An increased awareness and transparency of human rights impacts helps us to mitigate the risk of abuse of human rights in our operations and in our supply chains. In line with our own policies and global frameworks, such as the UNCPs, we update all colleagues with appropriate training and respond seriously to any allegations arising.

#### Consistent and up-to-date training

In 2021, in response to an external evaluation of our supply chains by Oxfam, we committed to update the human rights training we provide to colleagues. The result was an online training module, "People Behind the Product", sponsored by our senior executives and launched in January 2022. It has been completed by 95% of colleagues across our Food, Clothing & Home, International, Bank and Services, and Support Centre functions (Corporate Governance, Procurement, Digital and Data, HR and Property functions). The module will be completed every two years and will be part of the e-learning for any new joiners to the business.

Building on the "People Behind the Product" training, we have gone further with tailored training for our food buying teams on human rights risks in their day-to-day decisions. The first two-hour interactive course is sponsored by our Food Commercial Director and uses case studies from our own supply chain; it was attended by 65 of our commercial buyers. The training is part of a broader programme of responsible sourcing training that we will deliver over the next year.

[Find our People Behind the Product training module here →](#)

We also have additional education programmes underway for workers in our supply base. For example, in 2021 we gave greater access to the 'Emerging Leaders' programme to supplier partners in the UK. Following our Oxfam review we have been working on how to adapt the Emerging Leaders programme, which has been shown to improve financial literacy and leadership skills for workers. The UK adapted programme starts in 2022 with an initial focus on dealing with financial difficulties.

In Cambodia, the "Our rights – Seth Yerng" app, developed by CIZ's Fostering and Advancing Sustainable Business and Responsible Industrial Practices in the Clothing Industry in Asia (FABRIC), has been rolled out to five M&S factories. The aim of the app is to empower garment workers by improving their knowledge of their rights and obligations under Cambodian labour law. It includes educational materials on labour law and health and safety, as well as a wage calculator.

[Find out more about the Emerging Leaders programme here →](#)





## ETHICAL TRADE AND HUMAN RIGHTS IN THE SUPPLY CHAIN CONTINUED



### ANTI-DISCRIMINATION & LABOUR STANDARDS

#### Discrimination and women's rights

At M&S, we are committed to inclusion and diversity and believe everyone should feel comfortable to come to work and be themselves. We have a zero tolerance approach to discrimination and unacceptable behaviour.

#### Women's rights in our supply chains

In Turkey we have implemented a women's empowerment pilot programme in nine factories with a total worker population of almost 6,000 workers. This three-stage programme includes: gender gap analysis using the UN Global Compact Women's Empowerment Principles Gender Gap Analysis Tool, employee surveys on perception of gender equality and working environment, and gender equality training.

An M&S supplier partner in Cambodia are participating in the STOP Sexual Harassment package, which is delivered by CARE and ILO Better Factories Cambodia, with funding from the Australian government. This package and approach aims to transform factory policies to prevent sexual harassment, build the agency of workers and managers to recognise harassment, and work together to create a safer working environment for men and women.

**See our case study on Empowering the women who make our clothes in India on page 12 →**

#### Tackling discrimination in Sri Lanka

Having been put on hold in March 2020, our International Marks & Start programme recommenced in 2021/22. Its aim is to reduce discrimination and provide employment, and in early 2022 a new Marks & Start programme was launched, which aims to establish a Centre of Excellence for the Apparel Industry in Sri Lanka. It will support those with disabilities, or those in other marginalised groups, to access employment. Starting with a pilot of 25 trainees, and partnering with Community Business & Technology Developers Ltd, the programme will provide specific training for job-seeking success, as well as skills such as sign language and awareness-raising for recruiters in local factories.

#### Kenyan tea human rights assessment

As part of our Human Rights Strategy in Food we have committed to undertake human rights impact assessments (HRIA), which provide an in-depth analysis of the salient risks to people in our supply chains. They include desk-based research and, most importantly, field research including interviews with stakeholders, rightsholders (workers and smallholders), and our own business.

In 2021 we undertook an HRIA within our Kenyan tea supply chains, working in partnership with our supplier partners and another retailer with whom we share the same Fairtrade-certified supply chains. The assessment particularly focuses on the challenges faced by smallholder farmers and women in Kenya. Field research took place at the end of 2021, with a validation workshop following in early 2022. We plan to work alongside key stakeholders in the Kenyan tea sector to develop actions that address the assessment's forthcoming recommendations.

### FORCED LABOUR

#### Freely chosen employment

There is no place for modern slavery in any business. Employment must be chosen freely.

We recognise that modern slavery is a growing global issue, and we understand the responsibility to prevent, mitigate and remediate as understood and carried out in accordance with the responsibility to respect human rights under the UNGPs. M&S colleagues and supplier partners play a major role in helping us to achieve this.

Our Modern Slavery Statement sets out the steps we have taken (and continue to take) as a business to prevent slavery and human trafficking in our own operations and supply chains.

**Find our 2021/22 Modern Slavery Statement here →**



## ETHICAL TRADE AND HUMAN RIGHTS IN THE SUPPLY CHAIN CONTINUED

### FREEDOM OF ASSOCIATION

#### Workers' right to freedom of association

We want to ensure that everyone in our supply chain has a voice and there is a culture of open dialogue and continuous improvement. We believe workers' rights to freedom of association must be respected. Freedom of association, i.e. the right of workers and employers to form and join organisations of their own choosing, is an integral part of a free and open society.

#### Worker voice in the Clothing & Home supply chain

For our Clothing & Home business, we have implemented "worker voice" pilot projects in over 90 factories with a total population of over 70,000 workers in five of our key sourcing countries: India, Vietnam, Bangladesh, China and Turkey.



Our objective is to collect feedback from workers in a way that protects anonymity while responding to concerns and ensuring remedy. Our priority for the coming year is to develop a process to appropriately respond to feedback.

There is a risk of duplication in such work, owing to the fact that many brands are setting up similar "worker voice" programmes, potentially in the same factories. In the coming months, we will be meeting with other brands to better coordinate our programmes, minimise duplication for workers, and share learning. Results from the pilot projects will drive future development of our worker voice programme, and will be included in future reports.

#### Worker voice in the Food supply chain

Within the Food business we have rolled out "nCaje", our worker voice programme, throughout our UK supplier base. We are clear that this does not replace supplier partners' own surveys. The programme asks colleagues to agree or disagree with 13 statements to help us understand worker sentiment at our supplier partner sites. Surveys are completely anonymous and can be undertaken in multiple languages. We also offer the opportunity for workers to input their comments directly; in the first year of operating this programme we received over 29,338 worker responses, including over 4,000 free-text comments. We are able to provide supplier partners with their overall score for each area of focus and, where necessary, create an action plan to improve sentiment.

# 29,338

worker responses received in our first year of operating our food worker voice programme

### WORKING HOURS AND WAGES

#### Working collaboratively with supplier partners

Contracts, wages, and benefits are among the most important conditions of work, according to the International Labour Organisation. All workers are entitled to fair and equal compensation that at least meets the legal minimum wage, industry standards, or negotiated wages.

#### Collaboration resolving Karnataka wages

Issues around the minimum wage for workers in the Karnataka region of India have been ongoing since April 2020. Non-payment of the Variable Dearness Allowance (VDA) in Karnataka, including the case being heard by the High Court of Karnataka, is a multi-sector issue, not limited to the garment industry.

We worked with the Ethical Trading Initiative and Brands Ethical Working Group to insist that all workers in Karnataka be paid the Mandatory Minimum Wage and all arrear payments of VDA. We engaged our suppliers in the state directly, making clear our expectation that these conditions be met with immediate effect. We also collaborated with other stakeholders to lobby for a pay ruling and support the court hearings in order to get a resolution.

In early 2022, the issue was successfully resolved; all of our supplier partners committed to repay VDA, regardless of any outstanding court decision.

#### Understanding living wages in the banana sector

With the support of IDH, the Sustainable Trade Initiative, we have begun reviewing our banana supply chain to understand wage levels. Our supplier partners in five countries of origin (Ecuador, Dominican Republic, Ghana, Costa Rica and Côte D'Ivoire) have completed a worker salary assessment. We will next verify this information and then use the information to understand the gap that we have per origin to reach the living wage. Over the next year with IDH we will then review what actions we can take on our own and work with others to reduce the gap.



## ETHICAL TRADE AND HUMAN RIGHTS IN THE SUPPLY CHAIN CONTINUED

### HEALTH AND SAFETY

#### Supplier Partner Health and Safety

Our CSP set clear requirements that supplier partners must provide a healthy, safe, and clean workplace for all workers. With the ongoing challenges of the pandemic felt globally, the physical safety of workers in our supply chains has remained our priority.

#### The International Safety Accord

M&S was a founding signatory of the original Accord on Fire and Building Safety in Bangladesh in 2013, to improve working conditions in the garment industry. We also signed the subsequent Transition Accord (2018), the Interim Agreement (2021), and most recently the International Accord for Health and Safety in the Textile and Garment Industry (2021), which has the collective goal of safe and sustainable ready-made garment and related industries.

#### Covid-19 support in Bangladesh

In response to the Covid-19 health impacts on workers and communities in Bangladesh we focussed on two main projects with CARE International. An assessment by CARE in 2021 showed very low vaccine uptake by urban marginalised populations. Together, we set out to ensure all 100,000 workers in 34 factories in Gazipur had access to the vaccine. CARE ran awareness training and provided electronic registration and vaccination certificates for the workers. To date, over 88,000 workers have now received at least one dose of the Covid-19 vaccine, and 156 factory medical staff members have received training.

We also participated in several projects in the Foreign and Commonwealth Development Office Covid-19 Vulnerable Supply Chains Facility (VSCF) fund in Bangladesh. VSCF aimed to form partnerships with businesses and NGOs rapidly, to respond to the financial challenges from Covid-19 and help with longer-term resilience. In one VSCF project, M&S partnered with CARE to address the health impacts of the pandemic on 80,000 garment workers and their communities. Working across 15 communities, the project strengthened urban primary healthcare systems by maintaining health clinics, providing support for Covid-19 testing and quarantining, setting up digital wellbeing centres, training local health "champions", and educating factory workers and management on risks of sexual harassment and violence to women. The results showed that 98% of all factory staff surveyed reported a safer working environment. In addition they saw an increase in health and hygiene measures by factory workers, and the delivery of guidance combatting gender based violence to 73,000 workers in 25 factories.

#### Seasonal worker health and safety in Turkey

Every summer, tens of thousands of seasonal workers move across Turkey to work in agricultural production. Most of these workers travel with their families, moving from crop to crop for six to eight months each year. Consequently, there can be some risk of poor labour conditions often associated with transient or migrant labour.

So we have collaborated with Fair Labor Association, seven brands and 20 Turkish supplier partners of six agricultural commodities. The "Harvest for the Future" programme aims to support and guide our sultana and raisin supply chain partners to ensure good working conditions for the seasonal workforce.

The first results are:

- training provided in partnership with UNICEF to 89 supplier partners colleagues on decent work, child labour, hazardous work for children, and child protection. 12 supplier partners launched child labour monitoring and remediation programmes
- training for 105 recruitment agencies on child labour and decent work, and formal registration of 79 labour recruitment agencies with the Turkish Ministry of Labour
- 20 supplier partners mapped their supply chains, covering 746 small producers, revealing the prevalence and root causes of inadequate labour conditions
- 1,000 school support kits, 100 food kits, and 1,500 hygiene kits were provided to the families of workers to protect from Covid-19 and facilitate children's attendance at school.

[Find out more in the FLA Harvesting The Future report here →](#)

See our case study on how we played our part in providing support to the people working in the Kenyan flower industry when the Covid-19 pandemic hit →

*More resilient flower supply chains*





# Remarkable People

Building an involving, engaging culture where everyone can get on

Being a responsible employer depends on upholding our People Principles; they establish minimum standards with respect to recruitment, reward, employee relations, colleague engagement and how colleagues can communicate their views. These apply across all our operations for our direct colleagues and joint venture partnerships.





# REMARKABLE PEOPLE

## INCLUSION AND DIVERSITY



### An inclusive workplace for our colleagues

Our Inclusion & Diversity team organises training for all UK colleagues on legislation in this area, and what “being inclusive” means at M&S. Inclusive leadership skills are part of our talent development programmes, and all of our central recruitment team have completed an accredited training course on inclusive recruitment. Additional training in 2021 focused on inclusive behaviours related to leadership roles, a programme which we will expand in 2022.

To overcome barriers to working for M&S and to maximise inclusivity in the workplace, we made a commitment to the 10,000 Black Interns initiative (10 interns due to join in 2022), and our seven colleague-led inclusion networks led awareness-raising initiatives in 2021 for events such as Black History Month and International Day of People with Disabilities. We also ran a project to remove bias in the language of our job adverts, and signed up to three job boards for emerging Black talent, disabled candidates and LGBTQ+ candidates. In addition, we launched Respect Matters, an educational initiative on zero tolerance to racist behaviour in the retail environment.

### Your voices heard – Inclusion and diversity survey

Part and parcel of building trusted partnerships with colleagues is listening to their views. In 2021, a fifth of all UK colleagues (21%) took part in the first dedicated inclusion survey. While a high proportion of the 12,000 respondents were female, the survey showed that colleagues have a positive view of the way we interact with our customers and communities, with some clear feedback from colleagues on their sense of “belonging” at M&S. This is the first time we have completed a survey of this kind eliciting direct views from colleagues at this scale, and we are already taking action based on the findings.

**Find out more about our People Plan in our Annual Report here →**

### The rise of internal opportunity

Often the best talent is right under our noses, and to retain and develop it we want to make it easier for our colleagues to progress internally, between stores and the support centre functions, for example. The RISE (Recognising In-Store Experience) programme helps achieve this by ensuring that advertising, recruitment and selection processes at M&S also reach colleagues from under-represented groups (LGBTQ+, disabled, ethnic minority, economically disadvantaged).

The aim is to help M&S colleagues move easily between functions and to accelerate delegates’ careers into other roles, most of which benefit from store experience, which is highly regarded. Of the 11 delegates in the programme so far from 2021, 45% were from an ethnic minority and 64% were female.

**U**

My involvement in programmes such as RISE and the Reverse Mentoring Programme helps build my confidence, allows my voice to be heard and gives me the opportunity to grow my network and move from stores into support centres.

*Fiona, M&S RISE delegate*

**U**



## International Women's Day "Ideathon"

Our contribution to a more balanced and equal society includes evolving how we work so that all colleagues, regardless of gender, have the opportunity to succeed at M&S. For International Women's Day 2021, we ran a colleague engagement initiative that gathered over 100 people from every part of the UK business to tell us about bias in the workplace. They then came up with ideas to help foster better gender equality. This "ideathon" was very powerful and positive, it is now championed by the senior leadership team, and many of the ideas are being put in place already in 2022. Examples include replacing the concept of "full-time equivalent" with an hourly allocation matrix to allow greater flexibility when managing human resources in our stores, an updated Flexible Working Policy, and developing a job-share database.



This year, International Women's Day and Women's History Month was an activation point for sustainable change and we have done just that.

We now have a responsibility to keep the conversation going to drive the change we want to see. I'm excited about what's to come next!

*Rebecca Pate, Head of Product,  
International, D&D, and member of the Gender  
Equality Network*

## The 30% Club – the most diverse cohort yet

The 30% Club is an important part of our inclusion and diversity strategy to help maximise the backgrounds, breadth and quality of future leaders. For 2021/22, we did it a little differently, by joining the 30% Club's new "Mission Include" programme, to open up the scheme to all under-represented groups.

We particularly encouraged applications from women, ethnic minorities, LGBTQ+ colleagues or those who have a disability (visible or non-visible).

We had a record number of applications (nearly 150, for 30 mentee places) from a range of under-represented groups; on this year's programme all participants are female, 60% are from an ethnic minority background, and 30% have some form of disability or health condition.

[Find out more about our approach to inclusion here →](#)

[Find out more in our People Principles here →](#)





## REMARKABLE PEOPLE CONTINUED

### EMPLOYABILITY

#### Developing an employable labour pool

Employability is about supporting people looking for work who may be at a disadvantage. Since 2004 we have helped over 28,000 people through training and work experience in our stores and offices predominantly in the UK, but also with programmes internationally, in India and Sri Lanka.

#### Marks & Start UK

Despite challenging external conditions, stores were passionate about hosting participants via our long-standing employability programme, Marks & Start. We continue to uphold our wider commitment to economic inclusion through our employability initiatives such as Marks & Start, delivered with the Princes Trust. Marks & Start supports people looking for work who are at a disadvantage, giving an insight into a career in retail and a clear, accessible route into work, through participation in a four-week work placement in either our stores, offices or warehouses.

The programme continued its success through 2021/22 despite some residual challenges relating to the pandemic's effect on working conditions throughout all operations. In 2021/22 there were two cohorts involving placements across the business. Marks & Start continues to give participants vital work experience to boost their CVs and help them gain key employability skills.

Marks & Start work placements	2021/22 This year**	2020/21 Last year
Number of work placements started	<b>427</b>	350
% of those who completed work placements who were offered an employment contract at M&S	<b>81%</b>	87%

[Find out more about employability at M&S here →](#)

#### Kickstart for careers

We are proud to support the UK government's Kickstart programme this year. M&S offered trainee customer assistant placements to 16-24 year-olds who were on the UK's universal credit system. The aim is to boost skills and confidence for young people to kickstart their careers.

In 2021/22, 358 young people started a Kickstart placement, 238 (66%) completed their six-month placement, and 190 young people received a contract at M&S beyond their six-month Kickstart programme (80% of those who completed the placement).

The Kickstart scheme aims to enlarge the pool of young people with potential, and helps to minimise the risk of long-term unemployment. Government funding covers the relevant National Minimum Wage for 25 hours a week, plus the associated employer contributions; meanwhile, M&S also ensures Kickstart participants' salaries are equivalent to those of trainee customer assistants.

### WELLBEING

#### Wellbeing at work

Our wellbeing strategy aims for an inclusive workplace that nurtures a healthy lifestyle, healthy mind, and healthy personal finances.

Our healthy lifestyles work in 2021 included a "Virtual GP" for all colleagues and their immediate family to receive medical support through our partner Health Hero. In addition, M&S continued with its market-leading initiative to provide breast screening for women aged 40-49 (NHS screening starts at 50), as well as screening of those at high risk of cancer (outside of existing NHS support) in partnership with Check4Cancer. Finally, we also provide discounts on physical and online gym memberships.

Our healthy minds focus in 2021 was the launch of a free mental wellbeing app providing access to a personal wellbeing assessment and expertly developed wellbeing tools from our partner Unmind.

Additionally, our work to promote healthy finances in 2021 centred on the 'Learn' financial wellbeing hub: expert videos and guides from financial experts offering interactive tools such as a "money health check", a quick cash finder and debt test.

We kicked off 2022 with our annual wellbeing month, featuring the launch of our new colleague wellbeing network, free classes through #wellnesswednesdays and guest speakers covering the three key themes of health, mind and finances.

#### Supporting colleagues affected by events in Ukraine

M&S has a long-term legal agreement with a franchise licensee based in Turkey (FiBA) who holds the rights to trade under the M&S banner in Eastern Europe (Turkey, Ukraine, Russia). We have operated in Ukraine under this arrangement since 2007. During March 2022, FiBA temporarily closed all stores there. The safety and wellbeing of colleagues employed by all franchise licensees is a shared priority; our FiBA colleagues were paid three months' wages in advance and offered the opportunity of accommodation in Romania or Moldova.

Within our own operation at M&S, we reviewed how many colleagues in our business are Ukrainian to ensure we could identify, prevent and mitigate heightened human rights risks to them, as well as provide additional support, as required. Guidance was issued to all line managers encouraging them to listen to individual colleagues, understand how they are personally affected and ask what M&S can do to help. A "Ukraine Support" portal was created to make the support from our mental health service more accessible to all colleagues. Any colleagues directly affected are encouraged to speak to their line manager or to call Colleague Services to assess eligibility for support from our Colleague Support Fund. One example demonstrating the positive impact of these initiatives was that, through our business continuity team, we repatriated family members of a number of our UK colleagues.

In March 2022, in response to the unfolding humanitarian crisis following the invasion of Ukraine, M&S Group announced it had suspended shipments to FiBA's Russian business. The Group has subsequently made the decision to fully exit its Russian Franchise, with FiBA expected to cease trading in Russia in the coming months.



# Community

## Doing the right thing in the community

M&S is part of our customers' wider communities.

Our remarkable people take action that makes a big difference on some of the most pressing causes in many parts of the world, whether that's helping in emergencies,

or through our year-round work. M&S's work in the community makes our colleagues proud to work for M&S.





# DONATIONS TO GOOD CAUSES



M&S donated over £5.2m\*\* in 2021/22, and fundraised more than £4m\*\* in donations from our brilliant customers, colleagues and partners.

## M&S donations

M&S donations included almost £2m to our 35 Sparks charity partners through our Sparks loyalty scheme, which sees M&S donate 1p every time a customer shops using Sparks.

We also ran a number of double donations campaigns through 2021/22, for example during Black History Month, when we doubled donations to our Sparks partners Blueprint for All and The Black Curriculum.

M&S continued to support long-standing charity partners, as well as new partners, in 2021/22 through sales of products that have charity donations linked to them; these totalled over £1.6m in the year. An example is the post-surgery bra and swimwear ranges, 10% of the sales of which M&S donates to Breast Cancer Now.

Other examples include donations to Shelter and Together for Short Lives from sales of our Christmas sandwich and food-on-the-move range, and to Great Ormond Street Hospital Charity from sales of our Tastebuds kids meals.

Further donations in 2021/22 included funding for UNHCR and UNICEF charities in support of the crisis in Ukraine, and contributions to our employability charity partner, The Prince's Trust.

## Fundraising

There was a significant response from M&S customers and colleagues to the crisis in Ukraine. Up to the end of March 2022, over £1.7m had been donated by customers through till-point donations for UNICEF UK, and over £116k donated by our colleagues through fundraising events.

M&S was again the headline sponsor of the Macmillan World's Biggest Coffee Morning in 2021/22.

**£5.2m\*\***

donated by M&S and

**£4m\*\***

fundraised through customers,  
colleagues and partners





# GOVERNANCE AND LONG-TERM SUSTAINABLE VALUE AT M&S

Our CEO is ultimately accountable for the whole sustainability programme across M&S, including our Plan A goal – reset in 2021 – to become a net zero business across our entire value chain by 2040, and our commitment to respect human rights. Oversight is provided by the Board, and our Environmental, Social and Governance (ESG) Committee.

## ESG COMMITTEE MEMBERS



**Tamara Ingram**  
Chair, ESG Committee



**Archie Norman**  
Board Chairman



**Sapna Sood**  
Independent  
Non-Executive Director

## ESG COMMITTEE

Our ESG Committee is chaired by Tamara Ingram, a non-executive director (NED), who brings experience from her longstanding leadership career in advertising, marketing and digital communications. She is accompanied by Sapna Sood, one of our NEDs with senior-level experience at The Adecco Group, who also has an in-depth knowledge of running complex supply chains. Archie Norman, Steve Rowe, Eoin Tonge, and Nick Folland are standing attendees at Committee meetings.

The Committee provides the additional rigour, support and challenge for the business, ensuring we continue our focus on sector-leading sustainability performance, maintain sustainability in our customer proposition, and deliver the reinvigorated Plan A programme. It ensures that objectives, metrics and policies related to ESG are appropriate, reported transparently and reviewed regularly in line with all statutory requirements.

The Committee also supports the Audit Committee in its review of new and existing risks relating to ESG topics.

**The ESG Committee Report for 2021/22 is on page 70 of our Annual Report.**

**Find out more here on the relationship between governance and our evolving approach to sustainability here →**

## Executive Committee

Our Executive Committee is accountable for delivering our key sustainability targets and annual objectives. It also ensures our compliance with statutory regulations and industry best practice.

Following the announcement that Steve Rowe will stand down as Chief Executive Officer on 25 May, Stuart Machin will become Chief

Executive Officer and take on responsibility for day-to-day leadership of the business and the Executive Committee and will join the PLC Board with effect from 25 May.

Katie Bickerstaffe will become Co-Chief Executive Officer and also re-join the PLC Board with effect from 25 May where she was previously a non-executive director.

Eoin Tonge becomes Chief Strategy & Finance Officer. In addition to his current responsibilities, he will play an enhanced role in leading the future development of the business. He will also take on oversight of Plan A.

Managing directors of our businesses are responsible for setting sustainability strategy and targets for the activities and teams they manage. They contribute directly to the sustainability strategy, for example the recent resetting of Plan A, materiality assessments, and deliberations with ExCo. All strategic discussions are informed by consumer points of view, competitor benchmarking, investor and regulatory reviews, and external stakeholder perspectives on environmental and social issues.

**Find out more on our leadership team here →**

## Group wide coordination

Our Central sustainability team, reporting into our General Counsel, supports the CEO, ExCo and ESG Committee to deliver our Group-wide sustainability programme. The team supports and challenges accountable businesses who have embedded specialist sustainability teams reporting into the managing directors of our businesses.

**Find out more on the reinvigorated Plan A ambition here →**

**Find out more on our social, environmental and ethical policies here →**



# M&S SUSTAINABILITY PROGRAMME AND THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGS)

Launched in 2015, the 17 SDGs form a shared global agenda for environmental improvement, social empowerment and greater equality. The table below shows how our sustainability programme aligns with these goals.



## Sustainable Future

### Taking action today to protect the planet for tomorrow

We've reset Plan A to deliver a single focus: to become a net zero business across our entire value chain by 2040.

In simple terms this means we won't add any more greenhouse gases to the atmosphere than we take out of it.

We have developed a roadmap towards net zero and have aligned our approach with climate science to support the Paris Climate Agreement goal of limiting global warming to 1.5°C.



## Better Products

### We put quality at the heart of everything we do – especially when it comes to how we source and make our products

We know our customers want to do the right thing when they're shopping, choosing products that are good for them, the planet and the people who make them.



## Remarkable people

### Building an involving, engaging culture where everyone can get on

Being a responsible employer depends on upholding our People Principles; they establish minimum standards with respect to recruitment, reward, employee relations, colleague engagement and how colleagues can communicate their views. These apply across all our operations for our direct colleagues and joint venture partnerships.



## Community

### Doing the right thing in the community

M&S is part of our customers' wider communities. Our remarkable people take action that makes a big difference on some of the most pressing causes in many parts of the world, whether that's helping in emergencies, or through our year-round work. M&S's work in the community makes our colleagues proud to work for M&S.



## CONTENT INDEX

This table provides GRI, Global Compact and SASB content inclusion references to assist those who wish to use this Sustainability Report for benchmarking purposes. In the year ahead, we will be completing a full review of material sustainability topics and disclosures that will reflect the evolving reporting landscape. This will take into consideration emerging standards from the International Sustainability Standards Board (which is working with both GRI and SASB in its development of applicable standards) and the EU sustainability standards that will underpin the proposed Corporate Sustainability Reporting Directive. More detailed disclosures can be found in our reporting for prior years.

Description	GRI Standards^	UN Global compact	SASB	Page
<b>General disclosures</b>	102	–	–	<b>p3 and AR</b>
<b>Additional material topics</b>	–	–	Health & nutrition	<b>p49</b>
<b>Economic performance</b>	201	–	–	<b>AR</b>
<b>Market presence</b>	202	–	–	<b>AR</b>
<b>Materials</b>	301	Environment	Materials/chemicals	<b>p37</b>
<b>Energy</b>	302	Environment	Energy	<b>p28 and AR</b>
<b>Water</b>	303	Environment	–	<b>p30</b>
<b>Biodiversity</b>	304	Environment	Materials	<b>p39</b>
<b>Emissions</b>	305	Environment	Refrigeration & fleet	<b>p26 and AR</b>
<b>Effluent and waste</b>	306	Environment	Food waste/textiles waste	<b>p29</b>
<b>Supplier environmental assessment</b>	308	Environment	Environmental & Social Impacts in the Supply Chain^^	<b>p32</b>
<b>Labour/employment</b>	308/401	Human rights/Labour	Labour	<b>AR</b>
<b>Diversity/non-discrimination/ freedom of association/child labour/forced labour</b>	405/406/407/408/409	Human rights/Labour	Labour	<b>AR and MSS</b>
<b>Communities</b>	413	Human rights/Labour	–	<b>p61</b>
<b>Supplier social assessment</b>	414	Human rights/Labour	Labour	<b>p50 and MSS</b>
<b>Political donations</b>	415	–	–	<b>AR</b>

<sup>^</sup> Please refer to our [2018 GRI index](#) for more detail on which standards apply.

<sup>^^</sup> The relevant SASB material Topic relating to raw materials sourcing in the production of clothing covers potential negative impacts in resource conservation, water, fair labour; in response we use the Sustainable Apparel Coalition's Higg Facility Environmental Module (FEM), as well as its Facility Social & Labour Module (FSLM), along with other assessment frameworks, in evaluating performance at our suppliers' processing facilities.



# INDEPENDENT ASSURANCE STATEMENT

Marks and Spencer plc ("M&S") commissioned DNV Business Assurance Services UK Limited ("DNV", "us" or "we") to conduct a limited assurance engagement over Selected Information presented in the M&S Sustainability Report 2022 (the "Report") for the 52 weeks ended 2nd April 2022.

## OUR CONCLUSION:

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information is not fairly stated and has not been prepared, in all material respects, in accordance with the Criteria.

This conclusion relates only to the Selected Information, and is to be read in the context of this Independent Limited Assurance Report, in particular the inherent limitations explained overleaf.

**Our observations and areas for improvement will be raised in a separate report to M&S Management. Selected observations are provided below. These observations do not affect our conclusion set out above.**

- We observed that the documentation for data collection and calculation processes varied in clarity and detail for the indicators in scope. There is a risk of inconsistently reporting data year-on-year and it may not be possible to report data in cases where the data owner is unavailable. We repeat last year's recommendation that M&S establish a systematic process for documenting the data methodology internally to improve the consistency and efficiency of reporting.
- We found no formal reviews from data owners on the Food Waste assumptions in the year. If these assumptions are outdated, they may result in materially inaccurate data reporting. We understand that M&S will undertake an analysis in the next reporting cycle. We recommend a periodic review of key assumptions to improve data transparency and integrity.
- The Operational Waste and Plastics & Packaging indicators are manually aggregated data from different sources. We recommend that M&S consider streamlining the data collation process in future reporting cycles. We acknowledge that M&S are implementing data automation for various indicators next year. This is a positive development and we recommend expanding automated procedures to reduce the risk of manual errors.

## SELECTED INFORMATION

The scope and boundary of our work is restricted to the indicators listed below included within the Report for the 2022 reporting year (the "Selected Information"), listed below:

- Sustainable suppliers: Clothing & home (# and %)
- Plastic & packaging: All materials that are recyclable (by weight) (%)
- Plastic & packaging: Plastic that is recyclable (by weight) (%)
- M&S Group GHG emissions: Total of Scope 1 & Scope 2 emissions location-based (Thousand tCO<sub>2</sub>e)
- M&S Group GHG emissions: Total of Scope 1 & Scope 2 emissions – market-based (Thousand tCO<sub>2</sub>e)
- Renewable electricity: renewable electricity purchased (%)
- International store energy efficiency (kWh/sqft)
- UK & ROI store energy efficiency (weather adjusted kWh/sqft)
- Fleet emissions: table including litres of fuel, emissions (CO<sub>2</sub>e) and consumption (MWh)
- Food waste: Retail food waste and total surplus (Tonnes)
- Surplus food (Tonnes, number of meals redistributed)
- Operational waste: Total waste (Thousand tonnes)
- Operational waste: Waste to landfill (Thousand tonnes)
- Community and charities: Grand total donated and funds raised (£m)
- Marks & start: Number of work placements offered (#)

– Marks & start: % of those who completed work placements who were offered an employment contract at M&S

– Healthier food: UK & ROI food sales that are healthier products (%)

To assess the Selected Information, which includes an assessment of the risk of material misstatement in the Report, we have used the M&S Basis of Reporting (the "Criteria"), which can be found [here](#).

We have not performed any work, and do not express any conclusion, on any other information that may be published in the Report or on the M&S website for the current reporting period or for previous periods.

## STANDARD AND LEVEL OF ASSURANCE

We performed a limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 revised – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' (revised), issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance.

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2015 – Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



## INDEPENDENT ASSURANCE STATEMENT CONTINUED

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for our opinion, so that the risk of this conclusion being in error is reduced but not reduced to very low.

### BASIS OF OUR CONCLUSION

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information; our work included, but was not restricted to:

- Conducting interviews with M&S management to obtain an understanding of the key processes, systems and controls in place to generate, aggregate and report the Selected Information;
- Performing limited substantive testing on a selective basis of the Selected Information to check that data had been appropriately measured, recorded, collated and reported;
- Reviewing that the evidence, measurements and their scope provided to us by M&S for the Selected Information is prepared in line with the Criteria;
- Assessing the appropriateness of the Criteria for the Selected Information; and
- Reading the Report and narrative accompanying the Selected Information within it with regard to the Criteria.

### OUR COMPETENCE, INDEPENDENCE AND QUALITY CONTROL

DNV established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. Our multidisciplinary team consisted of professionals with a combination of environmental and sustainability assurance experience.

### DNV BUSINESS ASSURANCE

DNV Business Assurance Services UK Limited is part of DNV – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance.

[www.dnv.co.uk/BetterAssurance](http://www.dnv.co.uk/BetterAssurance) →

### INHERENT LIMITATIONS

All assurance engagements are subject to inherent limitations as selective testing (sampling) may not detect errors, fraud or other irregularities. Non-financial data may be subject to greater inherent uncertainty than financial data, given the nature and methods used for calculating, estimating and determining such data. The selection of different, but acceptable, measurement techniques may result in different quantifications between different entities. Our assurance relies on the premise that the data and information provided to us by M&S have been provided in good faith. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Limited Assurance Report.

### RESPONSIBILITIES OF THE DIRECTORS OF M&S AND DNV

The Directors of M&S have sole responsibility for:

- Preparing and presenting the Selected information in accordance with the Criteria;
- Designing, implementing and maintaining effective internal controls over the information and data, resulting in the preparation of the Selected Information that is free from material misstatements;
- Measuring and reporting the Selected Information based on their established Criteria; and
- Contents and statements contained within the Report and the Criteria.

Our responsibility is to plan and perform our work to obtain limited assurance about whether the Selected Information has been prepared in accordance with the Criteria and to report to M&S in the form of an independent limited assurance conclusion, based on the work performed and the evidence obtained. We have not been responsible for the preparation of the Report.

**DNV Business Assurance Services UK Limited**

London, UK  
7 June 2022