Marks and Spencer Group plc
ESG Report 2024

Reshaping M&S

LOTS DONE

LOTS TO DO

LOTS OF OPPORTUNITY

Reshaping M&S

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REPORT TOOLS

FOOD C&H

We use these icons to show where information relates to Food or Clothing & Home. Look out for them throughout the report.

NET ZERO

This icon shows where content aligns to our 10 priority net zero areas.

ABOUT THIS REPORT

This report covers the scope of our Environment, Social and Governance (ESG) programme (see page 7). We have structured the report in line with this approach. It was published in June 2024 and covers our financial year from 2 April 2023 to 30 March 2024.

All imagery in this report depicts M&S products, stores and our supply chain.

FIND OUT MORE

Annual Report 2024
M&S Corporate website
TCFD Report 2024
Modern Slavery Statement 2024
Basis of Reporting 2024
Family Matters Index

COVER:
M&S King Asparagus

IMAGE:
M&S COLLECTION Satin Look Belted Longline Waistcoat (T593505J) £45
M&S COLLECTION Satin Tailored Wide Leg Trousers (T593505T) £35
M&S Metallic Clutch Bag (T011214Z) £25

CEO INTRODUCTION

"WE WANT TO BE THE MOST TRUSTED RETAILER, DOING THE RIGHT THING FOR CUSTOMERS, WITH QUALITY PRODUCTS AT THE HEART OF EVERYTHING WE DO.

STUART MACHIN
Chief Executive Officer

Over the last year we have reset our purpose and vision so we are clear why we exist, who we are and where we are going. We want to be the most trusted retailer, doing the right thing for customers, with quality products at the heart of everything we do. It's a bold vision, but it gets to the heart of what sets M&S apart. It's why, when I joined the business, I talked about the need to modernise the business but always protect the magic of M&S.

The magic that comes from our heritage of exceptional quality, value, service and innovation; delivered through our deep supplier partnerships, and the lengths that we go to. The magic that means our customers trust us to always source and make products with care, treat our colleagues, growers and farmers well, and help them look after the precious resources we need to serve customers today, and in the future.

Plan A – how we express our commitment to sustainability – is therefore core to our vision and purpose, and integral to our trusted value proposition.

A great example of this is how we source, make and sell milk in our Food business. We are the only retailer who can say all of the milk we sell, coming from 40 dedicated Select Dairy Farmers, is RSPCA Assured – as part of our market-leading approach to animal welfare. We were first to market in setting up a milk pool, meaning we have paid farmers a fair price for their milk based on their cost of production, for 25 years. Last year we were the first retailer to offer "best before" labelling on fully recyclable milk bottles, following the removal of coloured plastic caps, helping customers to tackle food waste and play their part in a circular economy – two key areas where customers want to make an impact. Just a few months ago, we announced a £1m investment with our supplier partners to alter the diet of our pasture-grazed cows which will remove a projected 11,000 tonnes of GHG emissions annually – reducing our fresh milk carbon tonnes footprint by 8.4%.

In our Clothing & Home business, I saw first-hand just how much care our clothing suppliers take when sourcing and making our garments when I visited Sri Lanka. From innovating to use recycled polyester and new dyeing techniques that use less chemicals and water, to supporting those who find it hardest to get into work through Marks & Start, they are doing fantastic work. It was brilliant to see the way we are working in partnership with our suppliers to reduce our environmental impact and improve livelihoods.

CEO INTRODUCTION CONTINUED

Of course, Plan A and ESG is integrated into our Reshaping M&S for Growth strategy, with accountability for delivery devolved to the Managing Directors and the Executive Committee. You can read the detail of the progress we've made – and we have made good progress – as well as the challenges we face in the rest of this report. But, to me as CEO, what matters is that Plan A is core to who we are and what we want M&S to be.

Plan A – because there is no plan b.

STUART MACHIN
Chief Executive Officer

LOTS DONE

- Reduced Scope 1 & 2 carbon emissions by 33% since 2016/17
- 70% of polyester from verified recycled sources
- 100% of cotton in clothing from more responsible sources[1]
- Retained our No. 1 position in UK retail for Fairtrade tea and coffee
- Launched our Cup of Ambition™ fund across UK Cafés
- Became the only national retailer to sell only RSPCA Assured fresh milk
- Launched fully recyclable coffee cups
- Successfully lobbied the Government to remove VAT on sustainable period pants
- Removed 144m pieces of plastic from our packaging portfolio
- Prevented 85m hangers going to landfill though our Reuse and Recycling Programme
- Reached 70m meals donated through our partnership with Neighbourly and 1m fresh meals with FareShare
- Raised £1.7m for YoungMinds
- 693 Marks & Start work placements started, with over 80% leading to an offer of employment with M&S

£5.6m
donated to charities by M&S

LOTS TO DO

- Refining the accuracy of our Scope 3 emissions aligned to our near- and medium-term carbon glide path and resubmission to SBTi
- Further conversion of preferred materials, especially Man-Made Cellulosic Fibres (MMCF)
- Delivery of our headline charity partnership with YoungMinds through a series of customer and colleague campaigns

LOTS OF OPPORTUNITY

- Use data and insight from the ESG Reputation Tracker to better communicate the work we do through Plan A to customers
- Integration of ESG strategy as part of the reset of our international business growth plans
- Roll-out of improved customer circularity proposition in Clothing & Home
- Seeing the results of our investment in innovations from the "Plan A Accelerator Fund"

Per Una Linen Blend Blazer (T534403) £79
Per Una Cotton Rich Broderie Midaxi Dress (T5333784U) £79
M&S COLLECTION Raffia Jeans Belt (T017043B) £25
M&S COLLECTION Gold Tone Bubble Hoop Earrings (T669807E) £10

1 More responsibly sourced cotton means sourced through Better Cotton, organic- or recycled-certified.

HIGHLIGHTS FROM THE YEAR

£1.7m
raised for YoungMinds

Read more on page 44

33%
reduction in Scope 1 & 2 emissions vs 2016/17 baseline

Read more on page 27

144m
pieces of plastic removed from our packaging

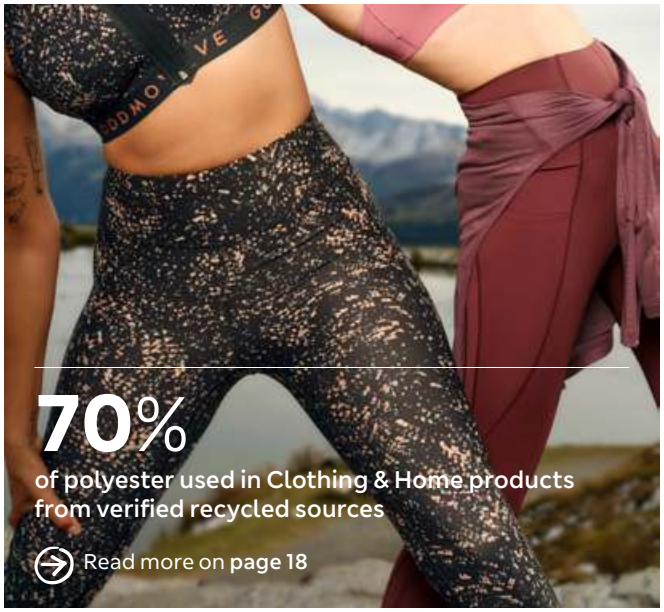
Read more on page 23

100%
of the cotton in clothing from more responsible sources

Read more on page 18

70m
meals donated through our partnership with Neighbourly since 2015

Read more on page 24



70%
of polyester used in Clothing & Home products from verified recycled sources

Read more on page 18

PROGRESS OVERVIEW

Issue	Metric	Target	Assessment of progress
ENVIRONMENT			
NET ZERO	Total location-based Scope 1 & Scope 2 GHG emissions.*	55% reduction by 2029/30 (vs 2016/17 base year)	On track or achieved
	Total Scope 3 GHG emissions.	55% reduction by 2029/30 (vs 2016/17 base year)	Behind or pathway in progress
RESPONSIBLE SOURCING	RSPO Certified Sustainable Palm Oil with Segregated status (% of all palm oil).*	100% by 2025/26	On track or achieved
	Soy sourced from verified deforestation and conversion-free (vDCF) supply chains (% of total direct and indirect soy).	100% by 2025/26	On track or achieved
	Cotton used in Clothing & Home products from more responsible sources (% of all cotton used).	100% by 2025/26	On track or achieved
	Polyester used in Clothing & Home products from verified recycled sources (% of all polyester used).**	100% by 2025/26	On track or achieved
WASTE & CIRCULARITY	Number of individual pieces of plastic (units) that have been removed from the M&S own-brand packaging portfolio.	Remove 1bn units by the end of 2027/28 from 2016/17	On track or achieved
	Food waste.*	50% reduction by 2029/30 (vs 2016/17 base year)	On track or achieved
	Food not sold that was fit for human consumption which was redistributed to charities, community organisations or colleagues.*	100% by 2025/26	On track or achieved
	Operational waste to landfill.*	Maintain 0%	On track or achieved
SOCIAL			
ANIMAL WELFARE	Ranking among retailers, with highest number of species within M&S Food product range adhering to RSPCA Assured certification.	Maintain #1 position	On track or achieved
PEOPLE	Senior managers who are female.	50% by 2025/26	On track or achieved
COMMUNITY	Funds raised for YoungMinds.	£5m by 2026/27 from 2023/24	On track or achieved

* Assured by DNV
** This data is subject to a discrete assurance process linked to our financing and is scheduled to be published in autumn 2024 see page 49.

Target missed · Behind or pathway in progress · On track or achieved

OUR ESG STRATEGY

IN THIS SECTION

7 Our ESG strategy

Image:
M&S Denim Collection

OUR ESG STRATEGY

From the very beginning, M&S has built trust by doing the right thing by our colleagues, customers and the communities which we serve. This remains the case today – 140 years later – and we express this commitment through our vision to be the most trusted brand, doing the right thing for our customers, with exceptional quality products at the heart of everything we do.

Our approach to ESG – which we badge Plan A – underpins our vision and is our promise to always source and make our products with care, so customers can trust us to do the right thing. It is also an integral enabler of our strategy to Reshape M&S for sustainable, profitable Growth so that we become a net zero business across our value chain by 2040 and conserve the precious resources our business relies on.

Delivery of our ESG strategy and Plan A is embedded across our nine strategic priorities and through our business-unit led operating model. We utilise data, digital and technology solutions and innovation to support the delivery of our ESG strategy, and data aids ESG decision-making so we focus on the issues that are material to our business, and matter most to customers and wider stakeholders.

Plan A. Because there is no plan b.

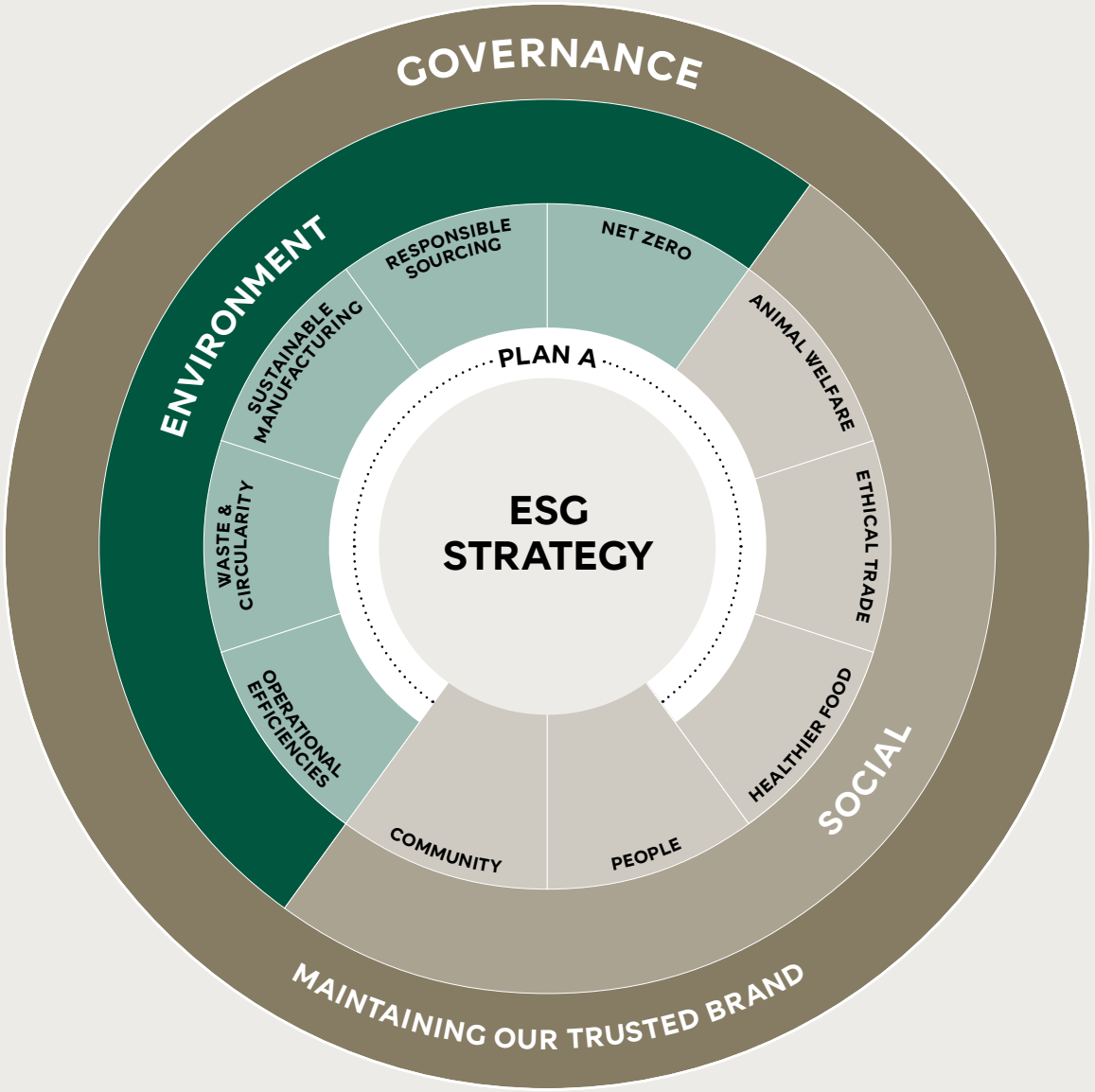
OUR STRATEGIC PRIORITIES ARE SUPPORTED AND ENHANCED BY OUR ESG STRATEGY

Deliver Profitable Sales *growth*

Improve Operating *margins*

Disciplined Investment *choices*

Drive Shareholder *returns*



OUR ESG STRATEGY CONTINUED

OUR STRATEGIC PRIORITIES		OUR ESG PRIORITIES	
Deliver Profitable Sales *growth*	1. EXCEPTIONAL PRODUCT, TRUSTED RETAILER 2. CUSTOMER CENTRIC BUSINESSES 3. EXPANDED GLOBAL REACH	GOVERNANCE NET ZERO RESPONSIBLE SOURCING SUSTAINABLE MANUFACTURING WASTE & CIRCULARITY	OPERATIONAL EFFICIENCIES ANIMAL WELFARE ETHICAL TRADE HEALTHIER FOOD PEOPLE COMMUNITY
Improve Operating *margins*	4. STRUCTURALLY LOWER COSTS 5. HIGH PERFORMANCE CULTURE	GOVERNANCE NET ZERO WASTE & CIRCULARITY	PEOPLE
Disciplined Investment *choices*	6. ACCELERATING STORE ROTATION 7. MODERNISED SUPPLY CHAIN 8. DATA, DIGITAL AND TECHNOLOGY	GOVERNANCE NET ZERO OPERATIONAL EFFICIENCIES	ETHICAL TRADE COMMUNITY
Drive Shareholder *returns*	9. DISCIPLINED CAPITAL ALLOCATION	GOVERNANCE NET ZERO	

Read more on **our strategy in our Annual Report**

● Environment ● Social

ENVIRONMENT

Our biggest environmental commitment and challenge is to become a net zero business across our entire value chain by 2040. Six per cent of our emissions are Scope 1 & 2 emissions that sit within our own operations and our operational efficiencies section outlines how we are reducing these emissions. The remaining 94% are Scope 3 emissions, that sit within our supply chain. To reduce these emissions, we will need to change the way we operate our business, how we source and how we make our products. This report provides an update on our activity and progress on our journey to net zero, including:

- **Responsible sourcing –** sourcing responsibly to mitigate our impact on the environment and protecting biodiversity and nature (Scope 3 emissions).
- **Sustainable manufacturing –** collaborating with supply chain partners to tackle environmental issues (Scope 3 emissions).
- **Waste & circularity –** designing products that are simply too good to waste, and using innovation to improve resource use (Scope 3 emissions).
- **Operational efficiencies –** investing to reduce energy usage in our stores and logistics network (Scope 1 & 2 emissions).

SOCIAL

As a product-led business, sourcing and making our products with care is at the heart of how we deliver exceptional product so customers can trust us to do the right thing. This report provides an update on our activity and progress over 2023/24, including:

- **Animal welfare –** continuing to be number one in upholding the welfare of animals.
- **Ethical trade –** raising supply chain standards to improve working conditions for workers so their human rights are respected and they are treated with fairness and dignity.
- **Healthier food –** helping our customers make healthier choices when they buy our food.
- **People –** creating a high performing culture where everyone can be themselves and be their best.
- **Community –** using the power of our brand to champion good causes with charity partners and taking an active role in our communities.

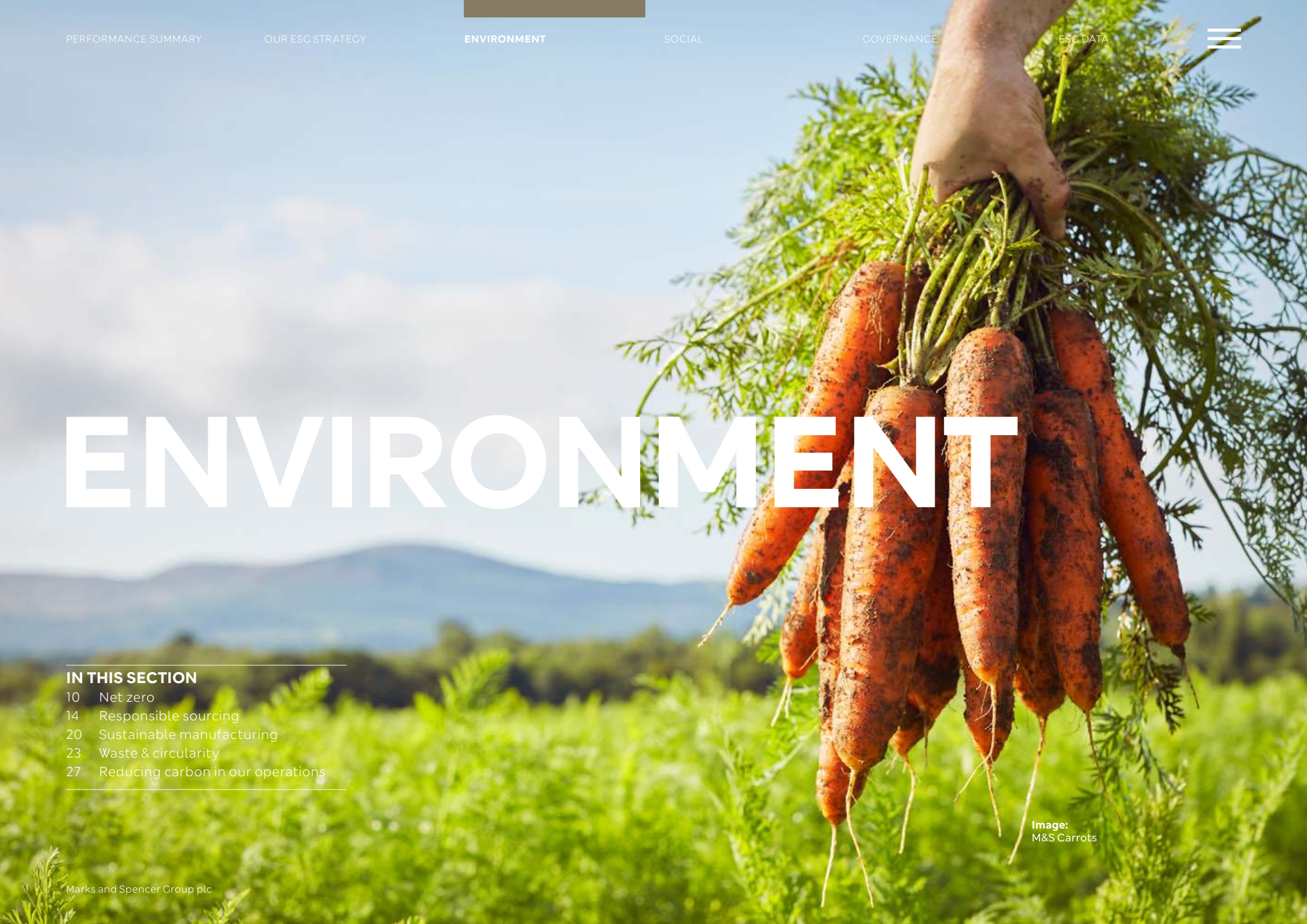
GOVERNANCE

Good governance is at the core of how we do business. We expect every colleague to play their part through living our behaviour to "act selflessly" – always acting in the best long-term interests of M&S and respecting their colleagues and our customers so we can win together – and by doing the right thing through compliance with our policies and standards.

PRIORITISING MATERIAL ISSUES

Assessing the priorities of our ESG strategy and disclosures is based on data and impact, so that we focus on the environmental and social issues our stakeholders are most concerned with. The process of engagement with stakeholders is a continuous one, starting primarily with our customers through our ESG Reputation Tracker, and with our colleagues via "Straight to Stuart", our colleague feedback portal.

We also engage a wide and diverse group of organisations and experts, including supply chain partners, investors, policy-makers and campaigners. The rich mix of feedback and views helps us aim higher in balancing different and sometimes competing expectations.



ENVIRONMENT

IN THIS SECTION

10 Net zero
14 Responsible sourcing
20 Sustainable manufacturing
23 Waste & circularity
27 Reducing carbon in our operations

Image:
M&S Carrots

NET ZERO

TARGETS

NET ZERO

NEAR-TERM (<3 YEARS)

Target
34% (1.9m tonne) reduction in carbon emissions by 2025/26 against 2016/17 baseline (restated).

2023/24 progress
72% pathway identified

MEDIUM-TERM (3-10 YEARS)

Target
55% reduction in carbon emissions by 2029/30 against 2016/17 baseline.

LONG-TERM (>10 YEARS)

Target
Net zero across entire value chain by 2039/40.

Plan A was launched in 2007 and reset in 2021 to focus more tightly on our commitment to being a net zero business across our entire value chain by 2040.

OUR EMISSIONS

Our Scope 1 & 2 emissions make up 6% of our total emissions and come from the fuel, gas and electricity used in our stores and logistics operations. We have reduced these emissions by 33% since 2016/17[1].

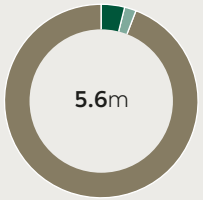
The majority of our carbon footprint though is upstream and downstream of our direct operations, classified as Scope 3 greenhouse gas (GHG) emissions. These make up 94% of our total footprint, with the majority of Scope 3 emissions coming from the products we purchase to sell through our Food and Clothing & Home businesses. This year, we have restated our 2016/17 baseline and our 2022/23 inventory with improved data providing a more granular Scope 3 emissions number. Due to the complexity of gathering and calculating these emissions, going forward we will continue to report our Scope 3 emissions a year in arrears for improved accuracy and reliability.

The graph to the right shows the restatement of our emissions for 2016/17 and 2022/23. The key change to our emissions data was driven by improved calculations on the purchased goods in our Clothing & Home business.

See case study on **page 12**

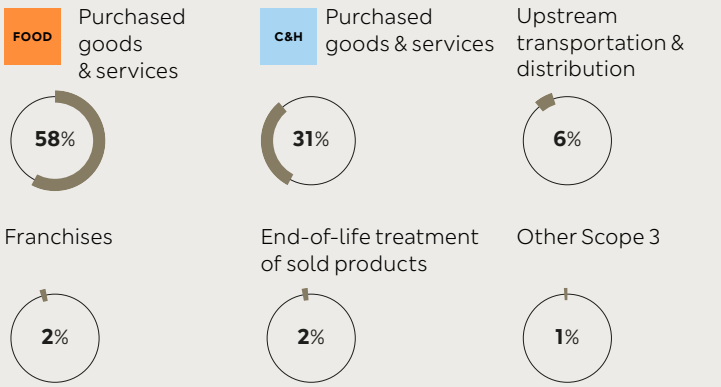
In line with the strong growth in our business since 2016/17 our overall footprint has increased, but this year we have been able to show we have mitigated a large portion of this through the emissions reduction programmes we have in place.

OUR EMISSIONS
2022/23 (tCO_2e)

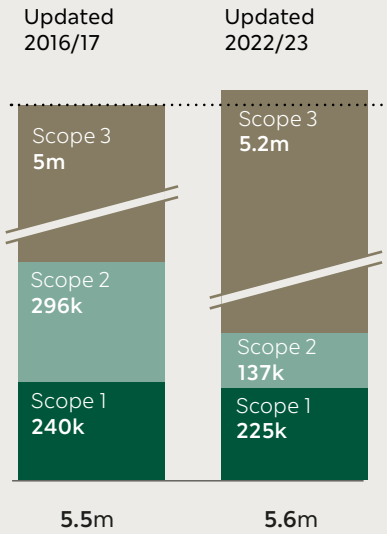


Scope 1	4%
Scope 2	2%
Scope 3	94%

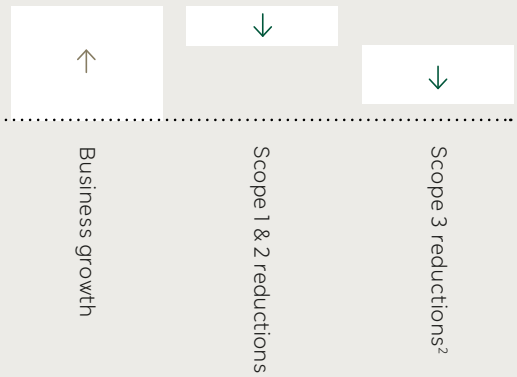
SCOPE 3 BY SOURCE



OUR EMISSIONS PERFORMANCE (RESTATED)
(tCO_2e)



REDUCTIONS AND INCREASES THAT HAVE LED TO A 0.1M TOTAL EMISSIONS GROWTH



1 Unless otherwise stated, Scope 1 & 2 emissions are calculated using location-based methodology.
2 While we are reporting more granular emissions and can now reflect some of our emissions reduction activity within our inventory, we will continue to improve how we report our Scope 3 emissions, to reflect more of our emissions reduction programmes within our footprint.

NET ZERO CONTINUED

Getting to net zero
To support our net zero ambition, we have near- and medium-term targets that align with climate science to limit global warming to 1.5 °C; these include our 2029/30 target, which is Science Based Target initiative (SBTi)-approved:

Marks and Spencer plc commits to reduce absolute Scope 1 and Scope 2 GHG emissions 55% by 2030 from a 2017 base year. Marks and Spencer plc also commits to reduce absolute Scope 3 GHG emissions by 55% within the same timeframe.

Our near-term target supports our SBTi-approved target: a 34% reduction in GHG emissions by 2025/26. With the update of our baseline emissions, we have restated this target from 2.1m tonnes of emissions to 1.9m tonnes.

Our 10 net zero priorities continue to focus activity across the business and progress on these are signposted throughout the Environment sections with our net zero icon.

1 Restated in line with methodological changes and improved data.

NET ZERO TRANSITION ROADMAP

OUR BASELINE
5.5m
tonnes of carbon emitted in 2016/17[1]

Near-term: <3 years
2025/26 TARGET
34% reduction
in carbon emissions (1.9m tonnes)

Medium-term: 3-10 years
2029/30 TARGET
55% reduction
in carbon emissions versus our baseline
SBTi APPROVED

Long-term: 10+ years
2039/40 TARGET
Net zero
across entire value chain

10 IMMEDIATE PRIORITY AREAS FOR TRANSFORMATION

NET ZERO

RESPONSIBLE SOURCING

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.

Sustainable sourcing
100% verified recycled polyester by 2025/26.

Low-impact farming
Support our farmers to enable them to grow low-carbon, responsible food, use fewer pesticides, enhance their soil, protect natural resources and drive innovation.

SUSTAINABLE MANUFACTURING

Increasing the range of plant-based protein
Double the sales of vegan and vegetarian products by 2024/25.

Suppliers and business partners on net zero journey
Look beyond our own operations to spark change and support decarbonising across our full value chain.

WASTE & CIRCULARITY

Circular economy
Support Oxfam with Shwopping, our clothes recycling scheme.

Reduce food waste
- 100% of edible surplus to be redistributed by 2025/26.

- Food waste reduced by 50% by 2029/30.

Reduce and recycle packaging
- 100% of packaging to be recyclable by 2025/26.

- Remove 1bn units of plastic packaging by 2027/28.

OPERATIONAL EFFICIENCIES

Zero emissions property
Deliver a more efficient store estate.

Zero emissions transport
Move 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.

NET ZERO CONTINUED

LOTS DONE – PROGRESS FOR 2023/24

We have been able to calculate realised GHG emissions savings of 447,000 tCO_2e since 2016/17 through our focus on 10 net zero priority areas and we have now identified a pathway of emissions reduction for 72% of our 2025/26 target, an increase from 62% last year. On an ongoing basis we will continue to review and improve our data and reporting on our carbon emissions to reflect business change, the evolution of carbon measurement techniques and guidance and the impact of emerging technologies.

Driving innovation through our Plan A Accelerator Fund
In 2022, we launched our £1m "Plan A Accelerator Fund" to fund or co-fund projects that address challenges and support innovation that will help us reduce emissions. This year we have worked with our long-term supply chain partners to focus on key areas where we're well placed to make a difference. We funded projects this year that pilot innovative modern technologies, drive carbon reduction, and deliver outputs and lessons that can be scaled and are shareable with our broader supply chain.

We addressed areas including:

Energy: Producing green hydrogen through electrolysis technology using wind or solar power generated on farms to replace fossil fuels, and pasteurisation using heat pumps and renewable electricity.

Recycling: Introducing Polytag technology on Food products to better understand how much, when and where our branded single-use plastic is recycled in UK recycling centres. In our Clothing & Home business, we are piloting the viability of an end-of-life recycling solution for footwear.

Technology: Using new agricultural technology to produce a field of net zero root crops, which includes using low carbon fertilisers and autonomous farm vehicles and drones. Also using AI technology to improve energy management in store operations and distribution centres.

Water: Applying innovative solutions to water in irrigation systems such as nanobubble technology (water with increased oxygen) and organic components, to conserve water resources in the production of fruits and brassicas in water-scarce regions.

By turning our obsession with innovation towards climate change, and tapping into the entrepreneurial spirit of our suppliers, we can turbo charge our drive to be a net zero business across all our operations and entire supply chain by 2040.

STUART MACHIN
Chief Executive Officer

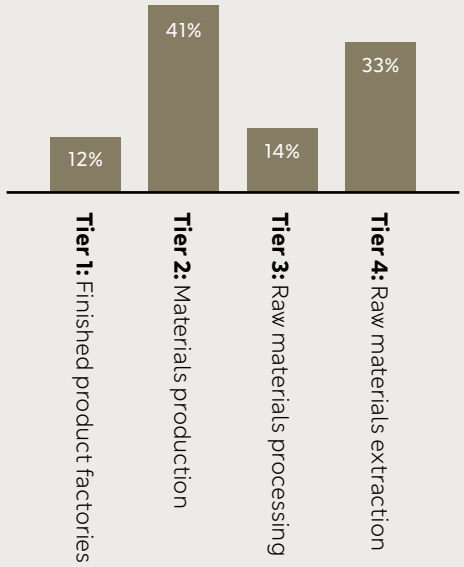
UNDERSTANDING OUR CLOTHING & HOME *product footprint*

In 2023, we worked with South Pole, an external climate consultant, to calculate Scope 3 carbon emissions from manufacturing our Clothing & Home products across our supply chain tiers – from raw material selection, to fabric processing and product manufacturing. This process led us to restate our Scope 3 emissions to be more accurate and highlighted emissions hotspots where we can focus on emissions reduction shown in the graph.

We have divided our carbon footprint across Clothing & Home into two workstreams, each with key "interventions" to reduce emissions across our value chain:

- converting raw materials to preferred alternatives (for more details see page 18).
- reducing manufacturing emissions in production (for more details see page 21).

SCOPE 3 EMISSIONS ACROSS OUR CLOTHING & HOME SUPPLY CHAIN TIERS (%)



NET ZERO CONTINUED

LOTS TO DO, LOTS OF OPPORTUNITY – FOCUS FOR 2024/25

In 2024/25, we will resubmit for validation our medium-term emissions target and submit our long-term net zero target to SBTi taking into consideration updated guidance for forest, land and agricultural emissions[1].

Throughout our supply chain we will continue to focus on improving how we collect and report on emissions as well as prioritise innovation and collaboration in order to identify further emissions reduction opportunities. This will include understanding the results of our already approved Plan A Accelerator Fund projects, rolling them out more broadly if successful and promoting new submissions from our supply chain partners.

We will also work towards a Transition Plan Taskforce (TPT) – aligned transition plan to ensure we have a detailed roadmap for our own net zero target and the transition to a low-carbon economy.

1 Forests, Land and Agriculture – Science Based Targets and Land Sector and Removals Guidance | GHG Protocol

CHALLENGES WE FACE ON OUR JOURNEY TO NET ZERO

MEASURING EMISSIONS REDUCTION

We are improving how we gather data to calculate our overall emissions. For our Scope 1 & 2 emissions, we use Sphera to collect and collate our emissions. For our Scope 3 emissions, by collaborating with industry partners such as Manufacture 2030 and Higg Index, we are accessing more supplier data so we can have a better understanding of our emissions hotspots. South Pole assisted with our Clothing & Home products, and Mondra is used in our Food business to provide product level emissions.

As we build on our emissions methodology, we will continue to encounter challenges in having a comparable baseline year for setting targets. As highlighted on page 10, we will be transparent on how changes impact our targets.

Read more on **page 10**

TECHNOLOGY AND INNOVATION

We know a lot of emissions reductions across our supply chain are reliant on improved technology and innovation. Through our Plan A Accelerator Fund, we support innovation with our suppliers and partners in the textile, agricultural and logistics industries, and promote emissions reduction in our supply chains.

Read more on **page 12**

The transition to net zero is not straightforward. We believe it is important to acknowledge the challenges and continue to drive efforts to collaborate and innovate to overcome obstacles.

POLICIES AND INCENTIVES

Reaching net zero will require the right support and policy frameworks from governments. We want to see a net zero pathway published, that shifts away from the sole focus on reporting, and assists with making investment decisions, and includes specific strategies for transitioning to a more sustainable logistics network, supporting more circular products and greener energy. In the UK, we will continue to work collaboratively with sector partners, such as the Institute of Grocery Distribution (IGD) and the British Retail Consortium (BRC), to clarify what coordination, support and incentives are required across industry as we work towards net zero.

IMPROVING TRACEABILITY

We are working towards comprehensive traceability throughout our complex supply chains, especially in the textile supply chain. Improved traceability will help us map our emissions in more detail and target emissions reduction activities.

Read more on **page 18**

RESPONSIBLE SOURCING

As a product-led business, we go to great lengths to source and make our products with care.

This approach is at the heart of how we deliver exceptional products and uphold our trusted brand. By sourcing responsibly we can reduce our environmental impact, enhance biodiversity, protect precious natural resources and use innovation to stimulate carbon savings through supply chains. By holding ourselves accountable to high standards and strong policies, we work in collaboration with supply chain partners to deliver lower-impact and exceptional quality products our customers expect.

OUR OWN-BRAND SUPPLY CHAINS

FOOD

DIRECT SUPPLY SITES

INTERMEDIARY PROCESSING & PACKAGING

- Fisheries
- Livestock & aquaculture
- Produce farms
- Raw materials/ Ingredients
- Smallholder farmers

CLOTHING & HOME

- TIER 1: FINISHED PRODUCT FACTORIES
- TIER 2: MATERIALS PRODUCTION
- TIER 3: RAW MATERIALS PROCESSING
- TIER 4: RAW MATERIALS EXTRACTION

RESPONSIBLE SOURCING CONTINUED

TARGETS

FOOD

SOY

NET ZERO

Target
100% of soy to be sourced from verified deforestation and conversion-free (DCF) supply chains by 2025/26[1].

2023/24 progress
66%

PALM OIL

NET ZERO

Target
100% segregated RSPO certified palm oil in our own-brand food products by 2025/26[2].

2023/24 progress
98%

COCOA

Target
100% of cocoa (by volume) used in own-brand products to be sourced through sustainability schemes.

2023/24 progress
100%

TEA AND COFFEE

Target
100% tea and coffee is Fairtrade-certified.

2023/24 progress
100%

FOOD

FOOD

58% of our total Scope 3 emissions come from products we sell in Food. Our reputation for great-tasting, and exceptional quality food is built on leading sourcing standards. From palm oil to tea, we source our key ingredients responsibly, limiting impacts on communities and the planet. We continue to strengthen our sourcing standards to ensure we do not contribute to deforestation.

LOTS DONE – PROGRESS FOR 2023/24

Palm oil
All of the palm oil and palm-based ingredients in our own-brand food products are certified to sustainable standards set by the Roundtable for Sustainable Palm Oil (RSPO), with 98% from a segregated source. This means that sustainable palm oil from certified sources is kept separately from non-sustainable palm oil throughout the supply chain and does not contribute to deforestation or biodiversity loss[2]. We're proud to see our work on sustainable palm oil recognised as we were ranked as "Leading the Way" in the World Wildlife Fund (WWF) Palm Buyers 2024 Scorecard and received top marks in the RSPO Shared Responsibility 2023 Scorecard.

1 Includes transitional mechanisms such as mass balance, area mass balance and RTRS regional credits.
2 The remaining 2% are palm oil derivatives and fractions where sourcing RSPO-segregated materials is an industry-wide challenge.
3 Significant food suppliers that procure from M&S Select Livestock or Aquaculture Farms, supply M&S with products, or supply animal protein products as ingredients to direct suppliers of M&S.

Soy
Soy is a globally traded commodity and a significant source of animal feed protein. However, due to agricultural expansion to meet demand, soy is contributing to global deforestation and land-use change.

Given the UK represents only around 1% of global demand, a collaborative industry approach is required to ensure that all of the soy in our suppliers' animal and aquaculture feed is from verified deforestation- and conversion-free (vDCF) supply chains by 2025. We have made considerable progress in our responsible sourcing of soy having now achieved 66% verified deforestation and conversion free soy[1] in the year ending 2023/24 (2022/23: 39%).

In 2023/24, we updated our Animal Feed Policy to clarify our expectations for M&S key suppliers and manufacturers[3], requesting they increase their uptake of certified soy that can be evidenced to support the transition to vDCF by the UK Soy Manifesto.

Cocoa
The cocoa industry faces significant challenges, including the inequality of cocoa farmers' pay, which can make it difficult for farmers to invest back into their plantations. Since 2017 we have been committed to sourcing all of the cocoa (by volume) used in our own-brand products through sustainability schemes such as Fairtrade and Rainforest Alliance.

Tea and coffee
As well as sourcing the best-tasting, quality tea and coffee from growers and cooperatives around the world, all of our tea and coffee is Fairtrade-certified. This year, we also went one step further and launched our Cup of Ambition™ fund in our UK Cafés, empowering producers in our tea and coffee origins.

Read more on **page 39**

LOTS TO DO, LOTS OF OPPORTUNITY – FOCUS FOR 2024/25

We are working to strengthen our sourcing programme with stronger social and environmental standards across soy, palm oil, cocoa, tea and coffee.

Read more on **page 38**

FOREVER Sabah

In addition to sourcing RSPO certified palm oil we extend our commitment beyond our direct supply chains by partnering with Forever Sabah, a non-profit organisation, where we have supported the audit and successful RSPO certification of smallholders in Malaysia. This collaborative effort not only safeguards forests but also empowers local smallholder farmers to cultivate palm sustainably, enabling more RSPO certified sustainable palm to come to market. We are continuing our investment and have also partnered with Pacos Trust, a non-profit organisation, to deliver workshops to support smallholders in their understanding of human rights and gender issues in their community.

RESPONSIBLE SOURCING CONTINUED

Over the past year, we have continued to work hard with Fairtrade and our supplier partners to secure the future sourcing of Fairtrade tea from Assam. Due to unique challenges in the region, we are working together on an innovative new regional approach in Assam that provides a pathway towards certification and the long-term supply of Fairtrade tea. This means we remain dedicated to paying the Fairtrade Premium and Minimum Price as part of our commitment to a fair future for workers in Assam, the supply of this core ingredient, and our 100% Fairtrade tea commitment.

The EU Deforestation Regulation comes into effect this year (with the draft UK Forest Risk Commodities legislation to be determined), which will drive the requirement for market-wide solutions to sourcing zero-deforestation commodities and support us in achieving our targets.

For soy, we are continuing to collaborate with industry groups to advocate for market-level solutions to deliver higher volumes of vDCF soy to the UK.

We are also committed to maintaining all of the palm oil and palm-based ingredients in our own-brand food products certified to sustainable standards set by the RSPO. For the 2% mass balance palm oil derivatives in our supply chain, we are working with our supply chain partners and multi-stakeholder organisations such as the Retail Palm Oil Group and the UK Sustainable Commodities Initiative to develop collective solutions to increase the availability of RSPO-segregated palm derivatives.

LOW-IMPACT FARMING

NET ZERO

We support all our farmers, particularly British farmers, to grow lower-carbon and responsibly produced food, using less pesticide with fewer types, enhance their soil health and fertility, protect natural resources and drive innovation.

LOTS DONE – PROGRESS FOR 2023/24

Supporting British farming

Over 70% of the emissions in our Food business come from primary agriculture and of these emissions, the majority come from the production of meat. Partnering with over 16,000 M&S Select Farmers to help them reduce their environmental impact and increase their resilience in the face of increasing climate-related challenges is a priority. There is growing acknowledgement of the role that animals can play in "regenerative" farming systems and in restoring soil health. Our approach is to decarbonise our meat and milk through working with our UK farmers on new production models and driving on-farm innovation. Our Pathway Beef, for example, already has a carbon footprint 40% lower than the UK's average and we have developed plans with our suppliers to reduce carbon right across our meat supply chain.

Farming with Nature

Biodiversity is vital for productive and resilient farming systems, and we cannot deliver net zero without it. Our Farming with Nature programme supports the uptake of nature-friendly farming practices, and long-term climate resilience across all of our British grower base, protecting and enhancing 10,000 hectares of habitat for wildlife.

Since 2021 we have partnered with LEAF (Linking Environment and Farming) to help us deliver our Farming with Nature standards: we require all of our British growers to be LEAF (Linking Environment and Farming) Marque certified, plus complete two additional M&S-specific modules, focused on landscape & nature and integrated pest management. Uptake of our modules has been strong: our British Select Farmers have met the majority of the practices (90% of landscape and nature and 88% of integrated pest management practices) in 2023/24. One example of the high standards our growers meet is all our growers set aside on average 8% of their land to wildlife. This year we were pleased to have received recognition from the 2023 WWF Basket assessment; M&S was the only retailer to score 100% against the robust environmental schemes metric for our Farming with Nature standards.

This year we started to scale successful interventions and biodiversity and soil measurement technologies from the five science-based biodiversity monitoring trials we have been working on in partnership with the Game and Wildlife Conservation Trust and Fera Science. This included funding and implementing Agrisound sensors across 18 farms, covering 120 habitats and over 1,000 hectares. The sensors use acoustic technology to measure pollinator abundance and support growers to deliver interventions to increase pollinator numbers.

Producing delicious M&S quality products in nature friendly ways – three years of M&S' leading Farming with Nature programme

BAKING WITH *Wildfarmed*

We have deepened our collaboration with Wildfarmed, a pioneering regenerative farming and food partner, which aims to restore biodiversity, soil health and ecosystem balance through its Regenerative Standards that ensure practices without pesticides, herbicides, or fungicides.

In 2023, we featured Wildfarmed regenerative flour in our top-performing in-store bakery range as part of our Farm to Foodhall campaign endorsed by chef Tom Kerridge. Since our partnership with Wildfarmed started in 2022, over three million loaves of the M&S Collection sourdough using Wildfarmed regenerative flour have been sold.

Wildfarmed and M&S build on relationship as regenerative flour is baked into leading product-range and championed in retailer's Farm to Foodhall campaign

RESPONSIBLE SOURCING CONTINUED

Water

With a significant reliance on water in horticultural production systems and increasingly extreme weather patterns, water management is firmly on our agenda. In 2023, we funded a series of events on integrated approaches to water management for our UK grower groups, as well as the role of nature-based solutions, including speakers from partner organisations, research groups and farm businesses. This year we also started funding the Alliance for Water Stewardship (AWS) Impact Accelerator in Huelva in Southern Spain, an important soft fruit growing region and home to the World Heritage site Doñana wetlands, which is under threat from drought and water use. The project will equip our suppliers with the knowledge, skills and networks they need to better understand their own water use and impacts, and work together to solve shared water challenges.

M&S plays a leading role in cross-sector engagement on nature and water-related challenges through the Courtauld Commitment 2030 Water Ambition, which aims to help the UK food and drink sector improve the quality and availability of water across the 20 most important product- and ingredient-sourcing regions. As signatories we have committed to a shared goal of sourcing 50% of fresh food from areas of sustainable water management by 2030. In 2023/24, we provided additional funding for the Courtauld 2030 Water Roadmap and are now funding six water stewardship projects in the highest-risk regions across the UK, Southern Spain, Kenya, South Africa and Peru.

FARM OF THE *Future*

In 2023, we launched our Farm of the Future Programme, which aims to support livestock farmers to rapidly decarbonise and adopt sustainable practices, together with Harper Adams University's School of Sustainable Food and Farming.

We are working with seven M&S Select Farms across six key production sectors to identify and implement practical activities to help them achieve net zero and maximise wildlife and habitat creation. The seven-year programme will also show where we need to change or adapt existing practices to drive sustainability.

We believe that Farm of the Future will support innovative approaches in sustainable farming, and we will share knowledge across M&S Select Farms and the wider industry to drive sustainable change. We are delivering Farm of the Future in collaboration with Cranswick, Skea Eggs, Dunbia, Scotbeef, Linden Foods, Müller and 2 Sisters Food Group.

News – M&S launches collaborative Farm of the Future Programme in drive to help farms achieve Net Zero

LOTS TO DO, LOTS OF OPPORTUNITY – FOCUS FOR 2024/25

Our priorities for 2024/25 include managing soils to develop resilient production, and using data collected through the Farming with Nature Programme to gain knowledge of the carbon benefits and nature-related risks and impacts.

We source as much as we can from the UK; where we source from overseas, we ensure the best quality products. We are committed to working in partnership with fresh produce growers overseas to support their resilience to climate change and product quality, and tackle water stress, carbon reduction and biodiversity loss.

Over the next two years, we will establish robust environmental standards (such as LEAF Marque and Global GAP Sustainable Programme for Irrigation and Groundwater use certification), along with innovation and support programmes for our highest-risk overseas sourcing countries.

RESPONSIBLE SOURCING CONTINUED

TARGETS

C&H

POLYESTER

NET ZERO

Target
100% verified recycled polyester by 2025/26[1].

2023/24 progress
70%

COTTON

Target
100% cotton from more responsible sources by 2025/26.

2023/24 progress
100%
Clothing

93%
Home

MAN-MADE CELLULOSIC FIBRES (MMCF)

Target
100% MMCF from more responsible sources by 2025/26.

2023/24 progress
47%

CLOTHING & HOME

C&H

LOTS DONE – PROGRESS FOR 2023/24

31% of our total Scope 3 emissions come from products we sell in Clothing & Home.

Our choice of fibres and how they are sourced are important and the production and initial transformation stages of our raw materials makes up around half of the Clothing & Home product emissions.

This year we made progress, moving from 68% to **76% for responsibly sourced fibres.** While we did a lot of this through our in-house expertise, our supply chain is global and very complex, so we work with partners, such as Textile Exchange (a global non-profit who aim to drive impact through the fashion, textile and apparel industry) and the CanopyStyle initiative, (who work with fashion brands, retailers, designers and viscose producers to protect ancient and endangered forests) to incorporate best sustainable practices in the fashion and textile industries.

Our focus for sustainable raw materials is on our core materials: cotton, MMCF and polyester, which together represent more than 80% of our fibre mix. The preferred raw material alternatives have a lower environmental impact than their traditional equivalents and consider various aspects of sustainability (such as farming practices, renewable resources use and deforestation risk) based on industry-recognised data. Our Sustainability Academy supports colleagues to drive change through raw material selection.

Read more on **page 22**

Cotton
Over half of our raw materials mix is cotton. Since 2019, we have sourced all of the cotton in our clothing through Better Cotton, organic- or recycled-certified. In 2023/24 we continued to convert cotton in our homeware products, making significant progress and are now at 93%. We are confident that we will meet our 100% cotton target across Clothing & Home by 2025/26.

Read more on our website

Polyester
We are really proud that in 2023 we achieved a significant milestone of 70%[1] verified recycled polyester and based on the progress made across 2023/24, we are on track to achieve 100% by the end of 2025/26.

Man-Made Cellulosic Fibres (MMCF)
Our preferred MMCF comes from supply chains with a low risk of contributing to deforestation and are made using the best manufacturing technologies available.

Traceability
Traceability is key to identifying risks in our supply chain and to effectively check compliance, achieve our responsibly sourced material targets and reduce our Scope 3 emissions. Implementing full traceability is complex and requires collaboration through the whole supply chain so this year we have continued to develop our strategy and collaborate with our partners.

1 This data is subject to a discrete assurance process linked to our financing and is scheduled to be published in autumn 2024.

M&S COLLECTION
Recycled Thermowarmth™ Quilted Jacket (T495126) £35

RESPONSIBLE SOURCING CONTINUED

LOTS TO DO, LOTS OF OPPORTUNITY – FOCUS FOR 2024/25

Going forward we are focusing on including more next-generation fibres in our MMCF mix.

Additionally, we continue to work towards getting to 100% responsibly sourced cotton (Better Cotton, organic or recycled-certified) and 100% responsibly sourced polyester (verified recycled) across Clothing & Home.

PIONEERING TRACEABIITY WITH *Better Cotton*

Better Cotton is a longstanding M&S partner. We joined as a pioneer member back in 2009 and since then, we have supported Better Cotton's mission to help cotton communities survive and thrive, while protecting and restoring the environment.

With over one fifth of the world's cotton now grown under the Better Cotton standard, we believe it is the right time to work with our supply chain to embed traceability requirements in how this cotton is traded within the industry. Since 2021, we have been working with Better Cotton and other brand members through the Traceability Panel, to set up the basis of traceability for Better Cotton.

In 2023/24, we ran a pilot in our Indian supply chain to trace Better Cotton from its region of origin up to each stage of its transformation process and into our UK stores. The traceability journey started at the ginner (when cotton fibre is separated from the seeds) close to the fields in Maharashtra; to the northern region of Himachal Pradesh for spinning; garment manufacturing in Delhi; and finally, our stores in the UK. This project gave us invaluable learnings on all suppliers' perspectives and input on how to scale Better Cotton traceability throughout our supply chain, and we have shared our feedback with the Traceability Panel.

With this successful first pilot, we are now preparing our supply chain and extending our mapping exercise to facilitate scaling traceable Better Cotton in the future, and progressively onboard more suppliers to this new chain of custody model.

Image: M&S Traceable Cotton Blouse

TEXTILE *Genesis*

Using Textile Genesis, a new traceability platform that ensures authenticity and provenance of sustainable textiles, we tracked more than 12m garments made of MMCF across our supply chain, from fibre mills up to M&S in 2023/24. We have since increased the scope of sustainable textile traceability to all remaining MMCF, and added recycled polyester and we aim to systematically trace all preferred viscose, lyocell, modal and polyester fibres we source by the end of 2024/25.

As well as providing us with full visibility of our supply chain, Textile Genesis allows us to strengthen our compliance checks.

SUSTAINABLE MANUFACTURING

In 2023/24, we made great progress in deepening our knowledge of how our supply chain partners make the products we sell. The challenges in reducing their carbon emissions are significant. We are using innovation and the strength of our supply chain partner relationships and collaborations, to provide training and access to decarbonisation programmes.

FOOD

FOOD

LOTS DONE – PROGRESS FOR 2023/24

Manufacture 2030

This year, we started working with Manufacture 2030 to track the progress of our supply chain partners in tackling environmental issues. Manufacture 2030 is a digital collaboration platform that brings together 10 major UK grocery retailers to collect supply chain partners' environmental performance information in one annual survey, giving them access to tools, knowledge and resources that support performance improvements.

Through Manufacture 2030, we have better visibility of how our top supply chain partners are meeting our "six key asks" on the environment. This includes over 150 suppliers which cover over 50% of our food supplier emissions.

UK grocery retailers partner with Manufacture 2030 – Manufacture 2030

Supporting our supply chain partners

In 2023, we held four Supplier Exchange events, bringing together over 100 supply chain partner representatives and providing a forum for peer-to-peer and expert-led knowledge sharing. Recent events focused on environmental risk assessment, product carbon footprinting, renewable energy and sustainable water management. The key purpose of the event is to engage suppliers on the risks and opportunities in relation to our six key asks and the output is that suppliers have visibility of our plans and expectations for the year ahead. We will continue to target areas where our supply chain partners need the most support.

LOTS TO DO, LOTS OF OPPORTUNITY – FOCUS FOR 2024/25

We have learned that most of our supply chain partners have a food waste plan, Scope 1 & 2 emissions targets, commitments around deforestation and conversion-free soy (where relevant), and some renewable energy procurement.

However, fewer supply chain partners have Scope 3 emissions targets and our supply chain partners face significant work to achieve our key asks. We are focusing our energy on these areas that are difficult to tackle.

FOOTPRINTING OUR PRODUCTS WITH Mondra

In 2022/23, we began working with Mondra, an environmental product footprinting platform and Innovate UK grant-funded pilot, to model the carbon footprint of a selected sample of our products and explore opportunities for decarbonisation. We have successfully modelled the carbon footprint of over 5,000 M&S products across the Foodhall, giving us new insights into our GHG emissions at every stage of the supply chain.

Going forward, we will trial using this data to inform decision-making at the raw material, product and product-range levels. In parallel, we will work with our supply chain partners to ensure their primary data is as representative as possible, developing a common understanding of the sustainable impact of their products.

www.mondra.com/coalition

OUR SIX KEY ASKS FOR SUPPLIERS

1. Set a science-based, 2040 net zero target and roadmap for Scope 1, 2 and 3 emissions.
2. Purchase 100% renewable electricity.
3. Purchase verified deforestation and conversion-free animal feed.
4. Focus on packaging quality, innovation and sustainability, and remove plastic where possible.
5. Implement a food waste redistribution plan.
6. Implement our Human Rights Standard, including Worker Voice and Human Rights Due Diligence.

SUSTAINABLE MANUFACTURING CONTINUED

TARGETS

C&H

MANUFACTURING EMISSIONS REDUCTION

NET ZERO

Target
50% of invited suppliers verify their Higg FEM (Facility Environmental Module) 2022.

2023/24 progress

77%
of supply chain partners verified their assessment at **Tier 1**

2023/24 progress

86%
of supply chain partners verified their assessment at **Tier 2**

CLOTHING & HOME

C&H

LOTS DONE – PROGRESS FOR 2023/24

The manufacture of products and materials by our suppliers produces around half of our Clothing & Home product emissions.

See chart on **page 12.**

Fabric dyeing and finishing (Tier 2) is an emissions hotspot, as our suppliers' factory processes are energy and heat intensive, using a mix of fuel sources to generate direct heat and steam.

To drive supply chain decarbonisation, we collaborate with other brands and industry partners as members of Cascale (formerly the Sustainable Apparel Coalition). We are driving adoption of the Higg Index, the sustainability assessment tool that standardises how our suppliers measure and evaluate the environmental performance of their facilities. The Higg FEM is the cornerstone of our supplier programme. This annual assessment collects primary supplier data to paint a clear picture of a facility's environmental impacts. Every stage of the production process is captured through this tool – from water use to waste management, to chemical and energy use, which we can then use to identify emissions hotspots, develop insights into the environmental performance of our suppliers and prioritise actions to contribute to our net zero targets.

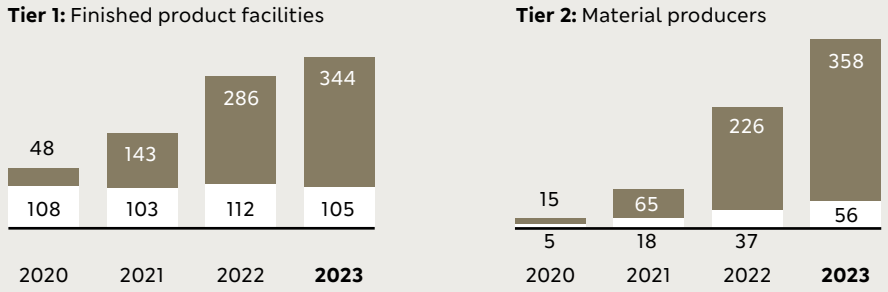
Over the past five years, we have deployed the Higg FEM across our supply chain. In 2023, we invited our top 94% (by cost value) of suppliers at Tier 1, and all our mills at Tier 2, to complete the module. We encourage verification of the module to allow us to obtain assured data, and have achieved verification levels of 77% at Tier 1 and 86% at Tier 2.

In 2024, we published a new version of our Environment and Chemical Policy (ECP), which summarises the environmental compliance requirements of our supplier facilities. The guidance in our updated ECP fully aligns with the structure of the Higg FEM and Zero Discharge of Hazardous Chemicals (ZDHC) guidelines and explains minimum expectations and best practices across our environmental metrics.

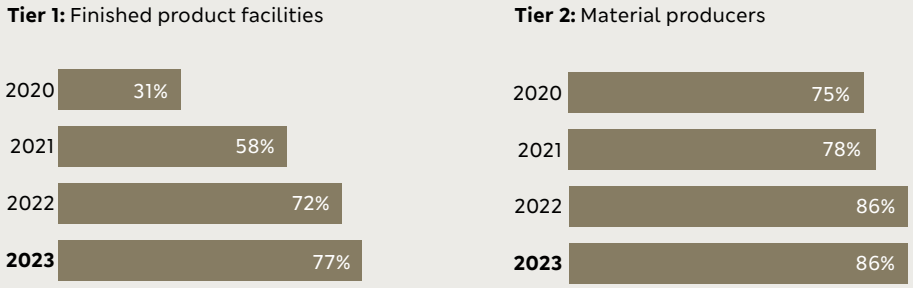
For more details about our responsible chemical management strategy, visit our website

SUPPLY CHAIN PARTNER FACILITIES COMPLETING HIGG FEM

Self-assessed • Verified



SUPPLY CHAIN PARTNER FACILITIES COMPLETING HIGG FEM VERIFICATION (%)



SUSTAINABLE MANUFACTURING CONTINUED

In 2023/24, we focused on improving our understanding of assessment metrics among our suppliers through training and engagement. We provided in-person training for over 350 facilities in five of our main manufacturing countries. Our regional sustainability teams also engaged directly with key supply chain partners to evaluate their responses, check data accuracy and use the assessment insights to develop facility improvement plans.

LOTS TO DO, LOTS OF OPPORTUNITY – FOCUS FOR 2024/25

This year, our focus is to use the data we are receiving through the Higg FEM to work with suppliers on action plans so they can progress towards their reduction targets. We will engage more suppliers with the Apparel Impact Institute's (Aii) Carbon Leadership Programme.

REDUCING SUPPLIER *emissions*

Access to Apparel Impact Institute's (Aii) Carbon Leadership Programme is a key part of our supplier engagement, focused on high-volume facilities. The programme can help deliver an average 30% reduction in facility emissions on completion. The programme involves an in-depth carbon assessment, identifying carbon reduction opportunities and undertaking carbon reduction target setting. An action plan will focus on applying technical solutions to accelerate decarbonisation through engineering works, which improve energy efficiency, reduce heat loss and promote heat recovery. Supply chain partners will also gain a better understanding of where it is feasible to convert to lower carbon fuels and access renewable energy.
50 of our top volume fabric suppliers are already engaged and benefitting from this programme.

UPSKILLING COLLEAGUES THROUGH OUR *Sustainability Academy*

The Sustainability Academy is a training programme aimed at improving Clothing & Home colleagues' understanding of M&S sustainability goals and ethical trade standards. This provides a deeper understanding of the context beyond our policies.

It equips colleagues with the knowledge and tools needed to improve engagement internally and support their decision-making process. This includes offering an in-depth session on:

- Our core raw materials (cotton, polyester and MMCF, animal-derived fibres).
- An introduction into circular design, standards and certification.
- Sustainable manufacturing and the environmental impacts of manufacturing textiles (in particular supporting suppliers to help them reduce emissions and improve on chemical management).
- Ethical trade modules outlining the Universal Declaration of Human Rights and M&S' approach to responsible sourcing (including policies, factory auditing, monitoring and worker impact programmes).

This year, 133 colleagues from across our product teams attended the training.

WASTE & CIRCULARITY

Resources are limited so at M&S our approach is to prevent, remove, reduce and recycle and we put that into place as much as we can across our supply chain.

Packaging plays a key role across M&S and reducing packaging and minimising all forms of waste, including food waste, is a top priority for M&S and our customers. We are constantly thinking of ways to reduce plastic as well as being efficient and minimising the waste we produce. We are also cognisant of forthcoming regulation which will have an impact on what we choose to do as a business versus what we do as part of our regulatory requirements.

TARGETS

FOOD

FOOD WASTE

NET ZERO

Target
Food waste reduced by 50% by 2030 against 2017/18 baseline.

2023/24 progress
44%

FOOD REDISTRIBUTION

NET ZERO

Target
100% of edible surplus food be redistributed by 2025.

2023/24 progress
85%

FOOD PLASTIC PACKAGING REDUCTION

NET ZERO

Target
Remove 1bn units of plastic from the packaging portfolio by the end of 2027/28 from 2017/18.

2023/24 progress
144m
plastic units

FOOD

FOOD

LOTS DONE – PROGRESS FOR 2023/24

Plastic reduction
Packaging is fundamental to delivering our products to customers with the quality they expect from M&S. We continue to innovate with new programmes to reduce plastic across our stores and provide circular packaging systems, as well as protecting food so that as much of it as possible goes for human consumption. Of course, it is essential to protect product and reduce waste which can have a bigger carbon impact than the packaging itself.

In 2022/23, we set an ambitious target to remove 1bn units of plastic across our food hall by 2027/28 (from 2017/18).

WE HAVE REMOVED

399m
plastic units since 2017/18.

We set a target to remove another 75m units of plastic in 2023/24, as part of our overall 2027/28 target, which we have exceeded by removing 144m units.

Key initiatives in 2023/24 include:

- Replacing plastic carrier bags with paper bags.
- Replacing plastic with paper or card in our biscuits range.
- Moving our rice and grains range from plastic to paper packaging, which is fully recyclable at home.
- Replacing plastic pads with paper in selected berries, rolling out our cardboard punnet across top-tier tomatoes, and rolling out reduced-plastic alternatives for avocados, citrus, kiwis and mushrooms.

Soft plastics collection
Where possible, we design our packaging for recycling at home. However, some materials have no household recyclable alternative yet, and are necessary to protect the product to maintain freshness, quality and shelf life. Most UK household recycling collections cannot accept soft plastics as part of kerbside recycling. We provide collection bins in over 500 stores for our customers to deposit any brand of soft plastic and avoid putting more plastic into general waste. This material is then sorted into different plastic polymers and is used to make PlastEcoWood products, including items such as picnic benches and planters, which we donate to schools and community centres. So far, we have donated 49 items to worthy causes.

Reducing food waste
While our food waste marginally grew this year, we remain on track to meet our 50% target and we have improved edible surplus redistribution. 85% of edible surplus is redistributed – up from 79% in 2022/23 – with some stores consistently hitting over 90% each week in 2023/24 which has also helped us reduce the food we send to anaerobic digestion.

Actions we have taken this year to reduce our waste in stores include improvements to ordering and allocation systems. Additionally, we provided freezers to a further 120 stores and over 70% of our stores can now repurpose in-store bakery bread as frozen garlic bread products. As 60% of the UK's food waste comes from our homes, it is crucial we help our customers waste less food at home. We are collaborating with the NGO WRAP, and other retailers on various food waste initiatives, including moving milk date codes from Use By to Best Before, removing date codes on vegetables and allowing customers to use their judgement on whether products are still fresh to eat. We are also simplifying our labelling instructions on storage, open life statements and freezing.

WASTE & CIRCULARITY CONTINUED

GROUNDBREAKING RESEARCH ON *difficult plastics*

As part of our mission to advance recycling for difficult plastics such as polyethylene terephthalate (PET) film, we are collaborating with The University of Portsmouth and its Centre for Enzyme Innovation team. Together, we are researching the potential of applying enzymatic recycling techniques to hard-to-recycle plastics. Our groundbreaking research has found that the technology can be applied to PET film, so it breaks it down into monomers which could then be rebuilt to create a closed-loop material. In 2024/25, we are looking to gain a greater understanding of how this process works on the different types of PET film used in our packaging.

Refilled
We continue to roll-out our Refilled scheme across our stores. Customers can choose from 10 own-brand homecare products, including cleaning sprays, laundry detergents, fabric conditioners and washing-up liquids. Over 10,000 customers have engaged with the scheme to date.

Coffee cups
This year, we became the first retailer to roll-out a fully recyclable paper fibre cup and lid across our Cafés. Plastic lining in conventional takeaway cups means they cannot be easily recycled and M&S' new cups and lids are made from 100% paper and certified plastic free which can be recycled in household and on the go. This change will remove over 20m units of plastic from our food business.

LOTS TO DO, LOTS OF OPPORTUNITY – FOCUS FOR 2024/25

We are developing a way to recycle the residual material from our soft plastics collection into products that we aim to sell in store. We plan to go live with these products following rigorous testing.

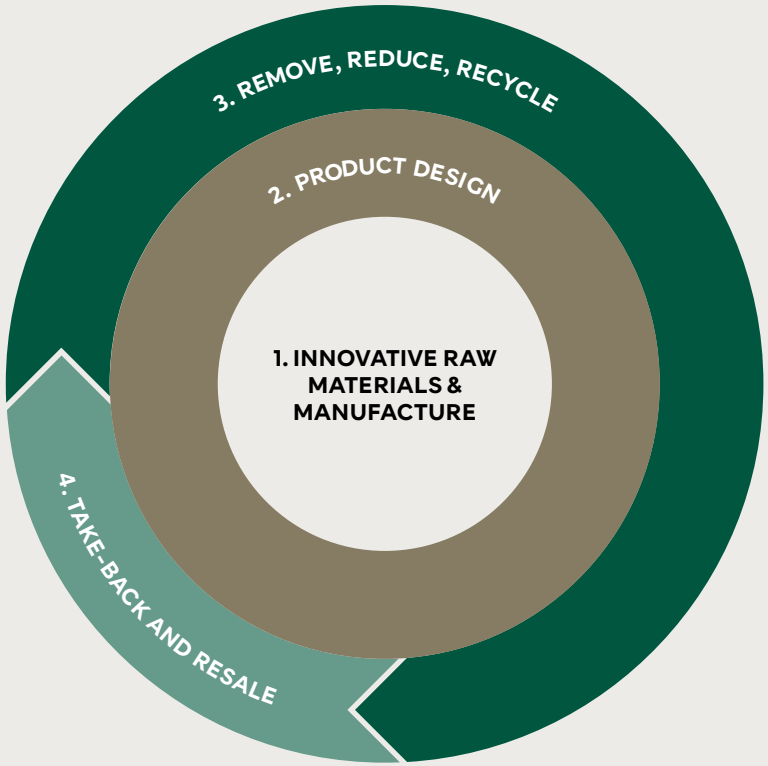
We are also continuing our plastic reduction and for food waste, we will continue our partnerships with FareShare and Neighbourly as well as the Coronation Food Project.

RECORD-BREAKING *food donations*

We have donated over 70m meals in surplus food to more than 3,000 local UK charities and community organisations through our longstanding partner Neighbourly since we launched our partnership in 2015. 2023/24 was a record-breaking year with over 25m meal equivalents, and we expect to donate our 100 millionth meal in 2024/25.

WASTE & CIRCULARITY CONTINUED

OUR APPROACH TO CIRCULARITY



1. **Raw materials and manufacture**
   Adopting, innovating and investing in more sustainable materials and resource efficient manufacturing.
2. **Product design**
   Applying circular design principles from concept to production and in use.
3. **Remove, reduce, recycle**
   Removing single-use plastic, reducing non-essential packaging and optimising all products for recycling.
4. **Take-back and resale**
   Sourcing and making products that are too good to waste, giving pre-loved clothes a second chance at life.

CLOTHING & HOME

C&H

LOTS DONE – PROGRESS FOR 2023/24

Innovative raw materials and manufacture
We are collaborating across our industry to reduce carbon emissions and water consumption across our supply chain through WRAP's Textiles 2030 initiative. We participate in monthly working groups with other members, which focus on circularity, closing the loop and improving data management to drive action.

Product design
Durability is a fundamental aspect of our circular design principles. From inception to production, we craft our items to meet our high durability standards, with versatile fits, easy-to-care-for fabrics and detailed care instructions, for example the "let me down" hems on our schoolwear.

Remove, reduce, recycle
We are innovating to reduce packaging and convert as many single-use plastic items (such as stickers) as possible to paper, collaborating with suppliers on solutions that also maintain product quality.

In 2023/24, our Reuse and Recycling Programme **prevented 85m hangers going to landfill.** Through our Closed-Loop Hanger Recycling Programme, we ask customers to leave hangers in store. We then send the hangers to a reuse centre, where they are sorted and forwarded to garment suppliers for reuse. Damaged hangers are recycled and made into new hangers. In 2023/24, we switched our hanger recycled material to polypropylene to increase its durability.

In June 2023, M&S Beauty launched its take-back scheme in partnership with Handle Recycling. Handle specialises in recycling beauty packaging and transforming it into sellable products and accessories. The accessories they make from the collected waste can then be recycled again with Handle at the end of life through our in-store collection boxes. Since June 2023, we have diverted over 1.5 tonnes of beauty waste that would have otherwise ended up in landfill, been incinerated or worse still lost in "the system" due to contamination, complexity of materials/components, size and colour of the materials.

From the material we have collected since the scheme began, we are developing a comb made with ~98% (the remaining ~2% is the masterbatch that will be added to give the comb its colour) beauty packaging waste from M&S. The comb will be available in stores from October 2024, and we are hoping it's the first in a line of recycled accessories made from M&S Beauty waste packaging.

Take-back and resale
Our UK customers have given new life to over 36m items of clothing through the Shwopping Programme since its launch in 2008, raising an estimated £23m for Oxfam.

In 2023/24, we expanded our longstanding Shwopping Partnership with Oxfam for the Back-to-School season with dedicated pre-loved school uniform Shwop boxes in over 200 stores across the UK. This scheme encouraged customers to Shwop old school uniform for a 20% off voucher on selected kids clothing with their Sparks card. The campaign generated over 5,200 QR code scans with over 1,500 customers going on to redeem the deal. 517kg of product was donated with 270kg going on to be in a sellable condition.

WASTE & CIRCULARITY CONTINUED

LOTS TO DO, LOTS OF OPPORTUNITY-FOCUS FOR 2024/25

This year in partnership with Oxfam, M&S is running a new trial which asks customers to give their unwearable clothes a second chance at life by donating them alongside their pre-loved wearable clothing.

The new online trial will allow M&S customers to order a free postal donation bag, made from 100% recycled plastic, straight to their doorstep. Customers can then place their pre-loved second-hand clothing inside the bag – separating between those that are wearable from unwearable – but equally too good to waste. This means clothing which can't be worn anymore because it is torn, stained, stretched or broken can have a second chance of life and be used for other means. Both Oxfam and M&S are working to support the ACT "Textile Waste Project", which is led by the UK Fashion and Textile Association.

CIRCULAR DESIGN PRINCIPLES TRAINING AND *CSF partnership*

We have continued our collaboration with the Centre for Sustainable Fashion (CSF), a University of the Arts London research centre based at London College of Fashion.

Through our partnership with CSF, we have run training workshops to help our product teams navigate complex circularity concepts, such as extending garment lifetimes, recyclability, lower-impact materials, and design techniques.

Starting with outerwear, bras and jersey tops, we extended our programme in 2023/24 to offer mentorship to all product categories. Throughout 2023/24, we held mentoring sessions for our Design and Technology teams, providing an opportunity to share learnings about textile circularity challenges.

CAPTURING SUPPLY CHAIN *waste*

We are collaborating with Reverse Resources, an online platform that matches textile waste at factory to textile recyclers. In 2023/24, we undertook a baseline assessment to map and analyse the textile waste of more than 40 Tier 1 suppliers in Bangladesh, China, India and Türkiye.

Through this project we gained more of an understanding of our production waste, and it helped us identify potential opportunities to consolidate different streams of pre-consumer textile waste and optimise the way they are collected and processed. The next steps for us will be to maximise the recycling potential of nominated production sites, trial new connections with recyclers and support the growth of textile-to-textile recycling on a wider scale.

REDUCING CARBON IN OUR OPERATIONS

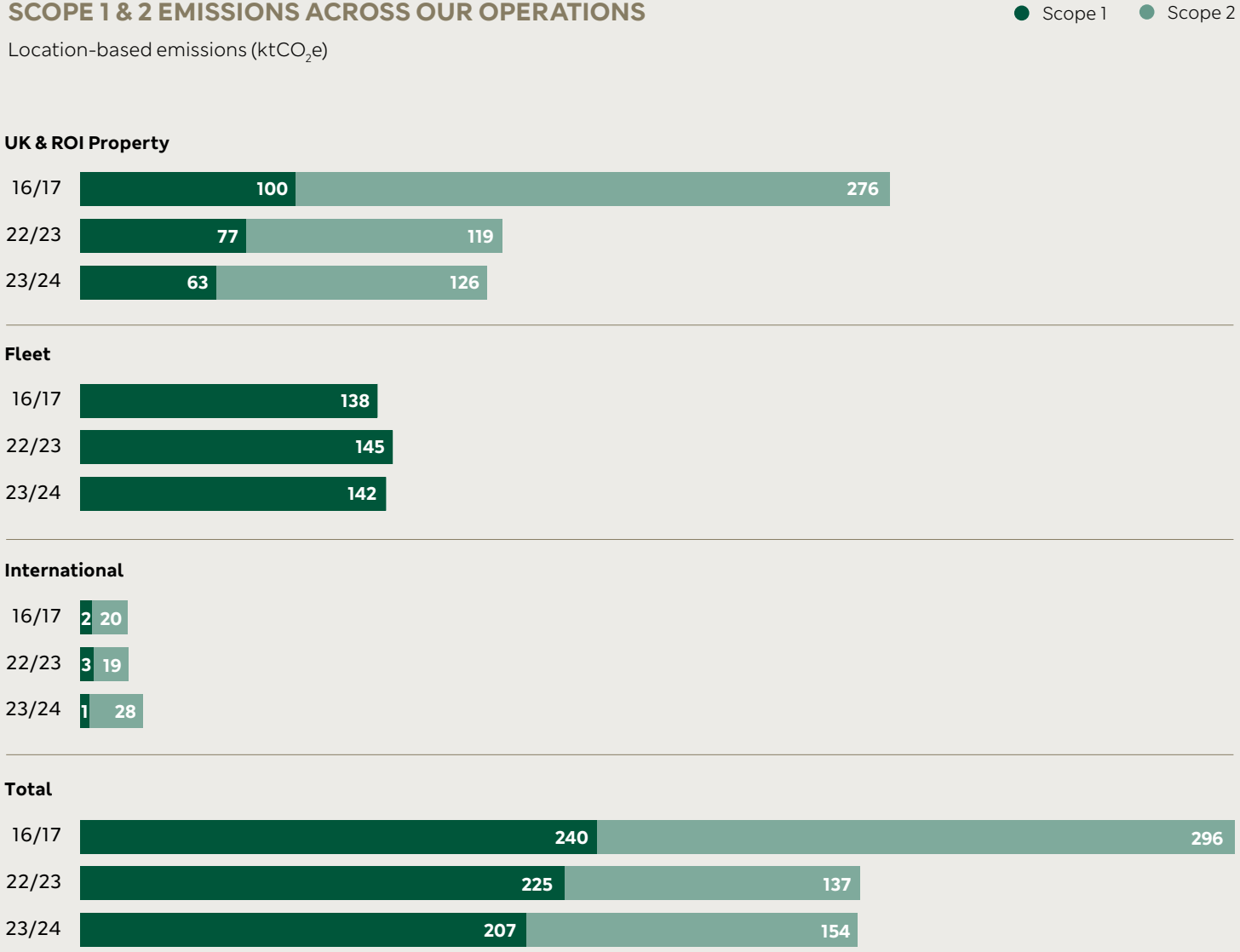
DRIVING OPERATIONAL EFFICIENCIES

Where we have direct control over carbon emissions in our operations, we invest in projects across our store estate, warehouses and logistics fleet to save energy and reduce carbon and have made good progress this year. To facilitate a clearer view of our operational carbon we have been using a digital platform, Sphera, which can capture operational carbon emissions on a site-by-site basis.

This section reports on progress and activity within our own operations that impact our Scope 1 & 2 emissions.

SCOPE 1 & 2 EMISSIONS ACROSS OUR OPERATIONS

Location-based emissions ($ktCO_2e$)



REDUCING CARBON IN OUR OPERATIONS CONTINUED

PROGRESS

ZERO EMISSIONS PROPERTY

NET ZERO

Ongoing commitment
Deliver a more efficient store estate.

2023/24 progress

3%
Reduction in energy usage across UK & ROI property estate

UK & ROI PROPERTY ESTATE

LOTS DONE – PROGRESS FOR 2023/24

In conjunction with CBRE, we mapped our carbon emissions on a store-by-store basis which allows us to make targeted decisions to efficiently drive carbon reductions.

As a result, we have made good progress in reducing Scope 1 & 2 carbon emissions across our UK and Republic of Ireland (ROI) property estate in the last 12 months, despite an increase in grid carbon intensity this year. The main drivers have been the further roll-out of LED lighting, voltage optimisation, controls and introduction of fridge doors. These initiatives have driven cost savings, carbon reduction and energy efficiency. We have reduced our annual energy use by 3% (24m kWh), which has resulted in the removal of 6,000 tCO_2e from our estate.

This year, our efforts have focused on:

Measurement
Using Sphera to capture and report data, we have been able to make targeted efficiency decisions on a store-by-store basis. Over the last year we have been able to closely track the effect store rotation is having on carbon reduction. In 2023/24, store rotation contributed to a full year reduction of 1,850 tCO_2e. We will continue to align store rotation to our plans to roll-out initiatives, reduce energy consumption and carbon emissions from the estate.

Targeted action
Based on Sphera data, and working with external consultants, we have made improvements in store energy efficiency by targeting the in-store environment. This includes installing energy-efficient fridge doors in 30 of our Foodhalls to help regulate internal temperatures, which is expected to deliver 20-30% energy savings per store, per year.

Driving efficiencies across the estate
Over 2023/24, we invested in LED lighting to cover 76% of our stores, voltage optimisation and store controls, which has reduced emissions by 2,300 tCO_2e and improved operational efficiencies.

This year we reviewed our trading lighting requirements following feedback through our colleague suggestion programme, "Straight to Stuart", This lead to a saving of 1.8m kWh in energy consumption across the year.

Rotation to newer stores
For all new stores, we have developed a standard specification for energy efficiency, so that we continuously improve the store estate as older stores are rotated. The specifications include stores being 100% electric power (no gas) and full LED lighting. Each store will have the ability to control electricity usage remotely and have voltage optimisation for incoming energy. Finally, there will be electric vehicle charging provisions for both rapid and ultra-fast charging.

Image:
M&S Lakeside Thurrock

REDUCING CARBON IN OUR OPERATIONS CONTINUED

LOTS TO DO, LOTS OF OPPORTUNITY – FOCUS FOR 2024/25

In line with our strategy to deliver a store estate fit for the future, energy and carbon inefficient stores are closing while those opening have the latest energy efficiency initiatives. The store renewal programme includes investment in energy initiatives as part of each project, with proven paybacks. We will continue to work with external partners and progress trials and innovation on energy efficiency and carbon reduction to inform further roll-out and investment.

In 2024/25, we will be making capital investments that are expected to reduce annual energy consumption by 4% and 4,700 tCO_2e reduction in Scope 1 & 2 emissions. As the roll-out of these energy-saving initiatives has covered the majority of our target stores, focus will turn to new initiatives and innovation. For example, development of the trial to remove gas boilers and replace with air sourced heat pumps.

One year into our EV partnership with BP Pulse, we are collaborating on actively progressing 80 sites. While our diverse estate means we have encountered challenges, we aim to achieve 340 charging points in 2024/25, with a further 300 in 2025/26. We are also progressing the benefits and opportunities of solar power across our stores, offices and depots and have plans to extend the 15 sites currently using PV.

ACCELERATING STORE ROTATION TO DRIVE DOWN CARBON

Accelerating store rotation is one of nine strategic priorities that feed into our ESG strategy. Its ambition, through a focus on better store locations and more productive use of floorspace, is to drive carbon reduction while increasing sales, to create a store estate fit for the future.

LIVERPOOL ONE

↑ **14%** sales

↓ **61%** sq ft.

↓ **44%** less energy

↓ **44%** less carbon

↓ **51%** less tCO_2e per £1m sales

LAKESIDE THURROCK

↑ **45%** sales

↓ **16%** sq ft.

↓ **10%** less energy

↓ **10%** less carbon

↓ **38%** less tCO_2e per £1m sales

BIRMINGHAM BULLRING

↑ **47%** sales

↓ **32%** sq ft.

↓ **28%** less energy

↓ **72%** less carbon

↓ **38%** less tCO_2e per £1m sales

BASED ON FRIDGE REPLACEMENT AND FORECASTED ELECTRICITY AND GAS USAGE COMPARED TO OLD STORE CONSUMPTION AND EMISSIONS

REDUCING CARBON IN OUR OPERATIONS CONTINUED

PROGRESS

ZERO EMISSIONS TRANSPORT

NET ZERO

Ongoing commitment
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.

2023/24 progress

35
new bio-LNG vehicles

3
new bio-CNG vehicles

3
new fully electric vehicles

SUPPLY CHAIN LOGISTICS

LOTS DONE – PROGRESS FOR 2023/24

In 2023/24, our own-operated logistics fleet emitted 142k tCO_2e (equating to c.3% of total Scope 1, 2 and 3 emissions). We are implementing supply chain and logistics initiatives to reduce carbon emissions across our transport, such as optimising the 35 new bio-LNG vehicles in our Clothing & Home vehicle fleet, which we expect to result in approximately 65-70% carbon savings compared to diesel per truck.

Within our Food logistics business, we now have a forward-looking fleet since aquiring Gist. In 2023, Gist purchased 3 CNG vehicles and 3 fully electric rigid vehicles. We are considering the potential of hydrogenated vegetable oil (HVO) and hydrogen as a fuel option as well as undertaking driver training, digital route planning and tyre technology to reduce emissions. By moving our drivers onto smart route technology we have improved fuel efficiency.

While the transport industry is expanding net zero emission capabilities for smaller goods vehicles, the larger Heavy Goods Vehicle category is at an exploratory phase, challenged by a lack of range and supporting charging infrastructure.

We are working with vehicle manufacturers to trial and test new sustainable technologies. We are also collaborating within the industry and lobbying for clearer government initiatives to decarbonise the national network and grid infrastructure to reach net zero, through initiatives such as the BRC Climate Roadmap and the Sustainable Logistics Forum. We will continue to review and expand our alternative technology options.

Due to the security situation in the Red Sea in 2023/24, international freight has become increasingly difficult, with ships unable to pass through the Suez Canal and taking two weeks longer via the Cape of Good Hope.

Air-freight volumes have increased to compensate to nearly 13% of total volume of product, resulting in our air-freight carbon target being exceeded by 16,000 tCO_2e. We are incorporating the shipping delays into our processes and aiming to minimise our reliance on air freight.

LOTS TO DO, LOTS OF OPPORTUNITY – FOCUS FOR 2024/25

We will continue to implement cleaner burn fuels, collaborate with manufacturers to trial lower emission vehicles and reduce our carbon emissions, while developing technologies and infrastructure for widespread adoption throughout our transport network.

We will also continue to monitor the impacts of the Red Sea.

REDUCING CARBON IN OUR OPERATIONS CONTINUED

TARGETS

INTERNATIONAL

Target
Converting all our stores to 100% LED lighting across owned operations by 2025.

2023/24 progress
78%

INTERNATIONAL

LOTS DONE – PROGRESS FOR 2023/24

We continue to progress against our commitment to convert all stores to 100% LED lighting across owned operations, with an additional 10 stores fitted in 2023/24, taking conversion to 78%.

Scope 3 emissions
Air freight of fresh food is our single biggest source of emissions in the International business. To protect the quality and integrity of the food products we sell to our international customers, we make technical adjustments to products we transport through our "freeze-defrost" programme. In 2023/24, we used the M&S Plan A Accelerator Fund to explore opportunities to introduce new products into the programme and maximise carbon savings.

LOTS TO DO, LOTS OF OPPORTUNITY – FOCUS FOR 2024/25

We have recently appointed a new Managing Director (and ExCo member) for the International business. In 2024/25, they will be resetting the international strategy for growth and ensuring the ESG Strategy is embedded in the reset.

Our international business is subject to some of the same challenges from the Red Sea security situation. Air freight of fresh produce from suppliers to the UK and back to international hubs is one aspect of the ESG strategy that the International business will need to review.

SHWOPPING SUCCESS IN THE *Middle East*

As part of the COP28 Sustainability Week, we launched our Shwopping initiative in our Mall of Emirates' store, as well as highlighting our Plan A commitments to customers, and added the Eat Well Sunflower seal for easy, healthy food choices.

There has been a positive response from customers since launching Shwopping. In 2024/25, we are rolling out our Shwopping initiative further across the Middle East, and have similar schemes planned for Singapore and Malaysia.

GREEN INITIATIVES OF THE YEAR *Award*

We're proud winners of the "Green Initiatives of the Year Award" at the 2023 SAFEtitude Summit in India, hosted by Reliance Retail. This award recognises the impact of our sustainable building initiatives, which this year included energy audits at stores, e-waste collection drives, a "Switch it off" initiative, a campaign for World Water Day and converting stores to LED lighting.

SOCIAL

IN THIS SECTION

33 Animal welfare
36 Ethical trade
40 Healthier food
42 People
44 Community

Image:
Cream Linen Double Breasted Suit Jacket (T153341D) £129
Blue Linen Suit (T153341/42T) £199
Pink Linen Suit (T153341/42T) £199
Pure Linen Shirt (T252445M) £40

ANIMAL WELFARE

The responsible sourcing of raw materials includes setting high standards on animal welfare. We strive to set the welfare standards for others to follow, exceeding legislative requirements and industry practice, and we stock the largest range of RSPCA Assured products.

TARGETS

FOOD

ANIMAL WELFARE STANDARDS

Ongoing commitment
Maintain No. 1 ranking among retailers, with the highest number of species in M&S Food product range adhering to RSPCA Assured certification.

2023/24 progress

#1

FOOD

FOOD

LOTS DONE - PROGRESS FOR 2023/24

Setting the standard across our Select Farms
All our M&S Select Farms must meet our welfare standards, which exceed both industry practice and legislation, to produce M&S Food.

Go to our **M&S Food Interactive Map**

To ensure we source from farms we know and trust, each is assessed as part of the M&S Select Farm Programme. Our Outcome Measure Programme is run by FAI Farms, who are an independent specialist animal welfare consultancy group. It collects detailed welfare metrics across all livestock and fin fish species and reports on them every year, which we use to build improvement plans and publish on our website.

Maintaining the highest animal welfare standards
We stock the largest range of RSPCA Assured products. This range includes all our fresh milk, veal, farmed salmon and trout, our UK shell and ingredient egg, our UK pork, and our industry-leading Oakham Gold chicken. RSPCA standards prioritise welfare across each animal's lifecycle, from birth to slaughter. They require enriched living conditions, where animals can display natural behaviours and have a good quality of life. We are committed to offering more RSPCA Assured products than any other retailer across our retail product ranges, including our "Remarksable Value" range.

This year we have maintained our commitment for all fresh chicken to be higher-welfare, slower-reared, British and RSPCA Assured. We are also the only UK retailer to have converted our entire fresh chicken offer to meet the Better Chicken Commitment.

We also maintained all EU-sourced pork used for EU charcuterie production coming from farms operating free farrowing breeding systems and higher welfare finishing units and always pay our farmers a fair price, based on our longstanding M&S Milk Pledge.

In 2023/24, we were the only UK retailer to achieve Tier 1 in Crustacean Compassion's Industry Benchmark on Decapod Crustacean Welfare. We also retained our leadership position on the Business Benchmark on Farm Animal Welfare, despite significant changes to the assessment scope (Tier 1 2013-2022 and Tier 2 in 2023).

ANIMAL WELFARE CONTINUED

LOTS TO DO, LOTS OF OPPORTUNITY - FOCUS FOR 2024/25

We are working with the RSPCA to explore an extension to the standard to cover a greater number of species, such as sea bass, where M&S Select Farms already demonstrate leading welfare standards.

We are also working to further progress humane catch and kill for all our lobster, crab and the majority of our white leg shrimp supply and are also extending a successful by-catch reduction project in our Scottish langoustine and haddock fisheries. By-catch is when fish or other marine species are caught unintentionally while trying to catch another type of fish.

All farms that supply M&S must have an industry leading M&S Select Farm Assessment undertaken by an approved Select Farm Assessor, trained to our requirements by FSIG, an independent audit company. In 2024/25, we will launch a Select Farms Assessments app to enable real-time assessments on-farm and join up assessment results, enhancing transparency and integrity for M&S Select Farms. Functioning both on and offline, the app provides a user-friendly assessment interface for confirming compliance with M&S Select Farm standards. The new app will also help to standardise our different Select Farm assessments.

M&S Livestock Hub

We are committed to tracking and transparently reporting on our animal welfare performance, using welfare outcome metrics that describe how an animal has experienced the environment in which it has lived. We collect these metrics on-farm and at the abattoir to provide us with an objective tool to measure animal welfare, irrespective of the production system, breed and climate.

All our fresh meat, farmed fin fish, poultry, fresh milk and laying hens supplier partners regularly submit welfare data via the M&S Livestock Hub. We use the data to benchmark farming systems, locate best practice and identify areas of improvement, as well as track continuous improvement.

Over 2023/24, we invested in a leading Outcome Measure Programme, independently run by Food Animal Initiative (FAI) Farms, to ensure we continue to report on animal welfare. We regularly review our outcome measure data with suppliers, and as part of our quarterly Governance process.

ANIMAL WELFARE CONTINUED

TARGETS

C&H

WOOL

Target
50% of wool from more sustainable sources by 2025, and 100% by 2030/31.

2023/24 progress
29%

LEATHER

Target
100% of our leather sourced from Leather Working Group (LWG)-certified finishing tanneries by 2030.

2023/24 progress
100%
Finishing tanneries

CLOTHING & HOME

C&H

To make high-quality and durable clothing products, we use the best raw materials available, including animal-derived fibres such as wool, mohair and cashmere. We strive to use certified fibres to ensure high animal welfare standards and sustainable practices.

LOTS DONE - PROGRESS FOR 2023/24

All the feather and down used in our products are either recycled or certified to recognised animal welfare standards including International Down and Feather Laboratory (IDFL) Down Standard, the Responsible Down Standard and the Traceable Down Standard. Our policy on mohair fibre states that we only source fibre certified by the Responsible Mohair Standard.

In 2023/24 we removed our ban on alpaca yarn. We value the quality of this fibre as well as the traditional know-how linked to its production and believe the Responsible Alpaca Standard (RAS) gives us the confidence we need to start sourcing this fibre again, so going forward the use of this certification will be the minimum standard for all alpaca fibre in M&S products.

We regularly update our Clothing & Home Animal Welfare Policy to reflect industry best practice and this year, we have adopted the commonly agreed five domains of animal welfare (nutrition, physical environment, health, behavioural interactions and mental state).

We are also making progress with merino wool conversion, with all our pure merino products made of Responsible Wool Standard-certified fibres. All cashmere in our pure cashmere products remained certified by the Sustainable Fibre Alliance this year, which ensures high animal welfare standards and minimal impact on the environment and safeguards the livelihoods of herder communities in Mongolia and China.

LOTS TO DO, LOTS OF OPPORTUNITY - FOCUS FOR 2024/25

This year, our focus is on further progress towards responsibly sourced animal fibres, continuing our conversion efforts towards our 2030 target. Having signed the Deforestation-Free Call to Action for Leather, we will accelerate our efforts, starting with a new internal roadmap to achieve our deforestation-free 2030 commitment, and increasing engagement with our supply chain.

DEFORESTATION-FREE *leather*

In June 2023, we were among the first retail brands to commit to source bovine leather from a deforestation-free supply chain by 2030, and signed the Deforestation-Free Call to Action for Leather, in partnership with our partners Textile Exchange, the Leather Working Group (LWG) and WWF.

The global leather supply chain is complex, but through industry-wide collaboration, we aim to build traceability at scale, and together identify and address issues related to deforestation. Over 2023/24, we worked with third-party partners to assess risks and develop a tailored action plan to meet this 2030 commitment.

AUTOGRAPH Pure Leather Cropped Blazer
(T504089T)
£179

ETHICAL TRADE

OUR COMMITMENT

Our mission to deliver exceptional products as a trusted brand goes together with doing the right thing. This means treating everyone fairly and with respect, and taking a zero-tolerance stance on discrimination and unacceptable behaviour. We have responsibilities to identify, prevent, mitigate and remediate human rights risks, ensuring we treat supply chain partners fairly and as partners in our success.

Global economic difficulties, devaluation of currencies, financial and political crises, and high inflation have had a direct impact on our supply chains, but our strong supplier relationships, collaboration and implementation of industry initiatives mean we have been able to support factories and workers through these challenging times.

Regional issues include minimum wage reviews in Bangladesh leading to unrest and factory closures, and humanitarian crises in the aftermath of the earthquake in Türkiye resulting in labour shortages.

The M&S Global Sourcing Principles set out our minimum requirements and expectations of how we and our supply chain partners conduct business to uphold human rights, along with labour, environmental, ethical and legal requirements in their own operations and their supply chains. We are committed to respecting internationally recognised human rights and the principles and guidance in the United Nations Guiding Principles on Business and Human Rights (UNGPs). We also support the OECD Guidelines for Multinational Enterprises.

We continually review and improve our practices to ensure we are upholding our standards and respecting the human rights of the people behind our products.

We work collaboratively to address systematic issues such as wages, as well as through our supply chain partners to address local issues, such as working conditions. We also seek to enhance the lives of the people in our supply chain through targeted programmes aligned to our salient issues.

Read about our governance on page 46

Our salient human rights issues

We operate in a diverse range of geographies, consumer cultures and regulatory environments. It is important we understand where our operations and sourcing impact adversely on individuals, so we can prioritise our efforts in these areas.

In 2023, we reviewed our most important (salient) human rights issues at a country and sector level, with input from internal and external stakeholders. Our updated salient issues are in the diagram on the right.

Go to our approach to forced labour in our Modern Slavery Statement

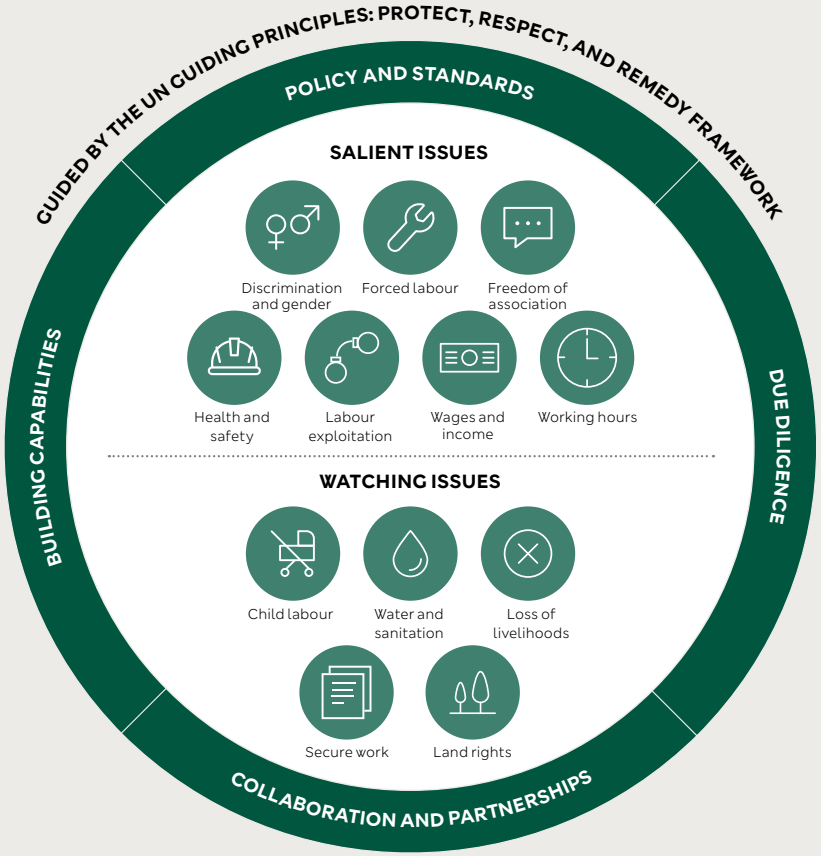
OUR GROUP POLICIES AND PROCEDURES

Our group policies relating to responsible sourcing are signed off by our directors. We continually review and develop our policies with input from in-house experts, suppliers and external stakeholders.

- M&S Global Sourcing Principles
- M&S Code of Conduct
- M&S Human Rights Policy
- M&S Child Labour Procedure
- M&S Grievance Procedure for Clothing, Home and Food Supply Chains

Go to our approach to ethical trade on our website

OUR SALIENT HUMAN RIGHTS ISSUES



ETHICAL TRADE CONTINUED

CLOTHING & HOME

C&H

OUR APPROACH

In Clothing & Home, our approach to ethical sourcing is based on robust risk assessment. Through our ethical compliance monitoring programme, approved independent third-party companies ethically audit our suppliers' factories every year against our Global Sourcing Principles and international standards.

Our specialist local sourcing office Compliance teams in Bangladesh, Cambodia, China, Hong Kong, India, Sri Lanka, Türkiye and Vietnam manage the ethical compliance monitoring programme, including grading, escalation and audit follow-up activity. We expect our suppliers to address any non-compliance and implement remediation plans.

We pair our compliance monitoring with worker impact projects to address our salient issues and create positive change for workers. We also collaborate with relevant stakeholders to use our combined influence to maximise that change. M&S is a member of the Ethical Trading Initiative (ETI), RISE (Reimagining Industry to Support Equality) and the International Labor Organisation (ILO) Better Work Programme.

LOTS DONE – PROGRESS FOR 2023/24

- Implemented our due diligence programme for our Tier 2 suppliers, through a combination of third-party audits/assessments and M&S ethical compliance visits.
- Commissioned research and investigations into key salient risks to identify opportunities to strengthen our policies and processes.
- Launched the Everyone's Business app, so M&S colleagues can participate in factory due diligence and report visit observations remotely.
- Continued capacity building programmes throughout our supply chain.

OUR SALIENT ISSUES

Health and safety

Our Global Sourcing Principles set clear requirements that supply chain partners must provide a healthy, safe and clean workplace for all workers.

- As part of our ongoing commitment to working conditions in our supply base, we were a signatory of the original Accord on Fire and Building Safety in Bangladesh (2013), which aimed for sustainable improvements to working conditions in the Bangladesh garment industry. We have since signed the subsequent Transition Accord (2018), the Interim Agreement (2021), the International Accord for Health and Safety in the Textile and Garment Industry (2021, 2023) and the Pakistan Accord on Health and Safety in the Textile and Garment Industry (2023).
- In 2023/24 we supported a supplier factory in China to implement the HERhealth project. The project ran for 18 months, training 30 peer health educators, who then provided women's health education for female workers, including on family planning, mental health, nutrition and exercise. This programme reached over 700 workers.
- In 2023/24 in Cambodia, five of our factories participated in the Commuting Safety for Cambodian Workers programme, funded by the US Agency for International Development (USAID). This project focused on improving commuting safety for Cambodian workers through stakeholder collaboration, training and best-practice sharing, factory road safety working groups, and engagement with trade unions and driver associations.

Discrimination and women's rights

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 stance on discrimination and unacceptable behaviour.

Read more on **diversity, equity & inclusion on** page 43

GEAR BANGLADESH AND SRI LANKA

Gender Equality and Returns (GEAR) is an initiative of Better Work, which aims to promote women's career progression opportunities by equipping them with technical, managerial and leadership skills. In 2023/24, we launched GEAR in 11 factories in Bangladesh and Sri Lanka, employing over 21,000 workers.

MARKS & START SRI LANKA

Marks & Start aims to support people who face barriers to employment, offering training and opportunities for inclusion into work. Marks & Start started in 2004, and has successfully supported more than 29,000 people around the world, offering skills and training that lead to the opportunity of a job. Sandamali is one of our Marks & Start beneficiaries in Sri Lanka.

See the story here

Freely chosen employment

We recognise that modern slavery is a growing global issue, and we understand our responsibility to prevent, mitigate and remediate in accordance with the responsibility to respect human rights under the UNGPs. Our colleagues and supply chain partners play a key role in helping us to achieve this. Our Modern Slavery Statement sets out our approach to preventing slavery and human trafficking in our operations and supply chains.

Find our Modern Slavery Statement here

Working hours and fair wages

Contracts, wages and benefits are among the most important conditions of work, according to the ILO. All workers are entitled to fair and equal compensation that at least meets the legal minimum wage, industry standards, or negotiated wages. In 2023/24, we:

- commissioned research with factories in China, to better understand and address root causes of excessive overtime. The project provided training and tools to the factory to support it to manage working hours more effectively. Results included:
  - a 35% reduction in daily overtime.
  - a 27% reduction in rest day work.
  - a 51% reduction in worker dissatisfaction relating to working hours.
- updating our wage ladders for our eight key sourcing countries, this highlights comparisons against a range of wage benchmarks.
- publicly supporting the process in Bangladesh, of the three-way negotiation between the Unions, the Government Wages Board and the Employers' Associations relating to the minimum wage increase in 2023 and the main points of the ETI letter written together with amfori, Fair Labor Association (FLA), Fair Wear and Mondiaal FNV, to Bangladesh's Minimum Wage Board.

ETHICAL TRADE CONTINUED

Freedom of association
We aim to ensure that everyone in our supply chain has a voice and encourage a culture of open dialogue and continuous improvement. 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. Workers' rights to freedom of association must be respected. We promote workplace representation by:

- including information on our interactive map, for transparency where suppliers have a worker committee and/or trade union.
- verification during our ethical compliance monitoring programme.
- engaging with external stakeholders, including unions, on a case-by-case basis if allegations/issues are raised relating to freedom of association, to resolve issues with the factory.

FOOD

FOOD

OUR APPROACH

Our most salient issues in Foods mirror those in Clothing & Home (see Figure on page 36), but can look different in practice given the nature of the food supply chain. We structure our Food human rights strategy in two parts, to protect workers in our supply chains from potential risk and to enhance livelihoods in key global supply chains:

- **Protect** – ensuring we have a robust compliance programme with Tier 1 suppliers and working on challenging industry-wide issues, such as modern slavery.
- **Enhance** – developing programmes to build livelihoods in our supply chain, through which we can engage customers on issues they care about.

Together with relevant stakeholders, including our suppliers and other retailers, we use our combined influence to protect workers and enhance livelihoods in food supply chains. M&S is a member of the ETI; Food Network for Ethical Trade (where we co-chair the Climate & Human Rights working group); Spanish Ethical Trade Forums (where we are a Governing Board member); Sea Alliance (where we sit on the Steering Committee); and the Seasonal Worker Scheme Taskforce (Governance Committee). In addition, we sponsor key initiatives such as Stronger Together; the Responsible Recruitment Toolkit; Unseen (the Modern Slavery Helpline); and MSIN (the Modern Slavery Intelligence Network).

Protect
Detailed information on our workstreams, including relevant memberships and programmes, is in our Modern Slavery Statement.

In 2023/24, we revised our Human Rights Standard to make it easier for our suppliers to understand our requirements. Audit remains a core component of our Standard and managing risk in our supply chain, however we are driving our "beyond audit" approach through our Worker Voice and Human Rights Due Diligence Programmes with our supply chain partners. We recognise the limitations of an audit-only approach, and engage directly with workers in our supply chain (worker voice) and build suppliers' capacity to address human rights risks further down the supply chain (human rights due diligence).

Worker voice
2023/24 was the third year of our Worker Voice Programme, which builds on our compliance programme and ensures we hear directly from workers in our supply chain across UK & ROI. Over the past year, 361 of our sites took part in a joint survey with our delivery partner nGaje, with 40,807 participants across the M&S supply chain (Tier 1 UK & ROI) sharing their views.

Human rights due diligence
Aligned to volume and risk, 48 of our key strategic supply chain partners took part in the third year of our Human Rights Due Diligence Review Programme in 2023/24 to understand the salient human rights issues in the supply chain and their activity underway or planned to address them. We also delivered bespoke human rights training for our Food technical team.

Enhance
We collaborate with NGOs and Civil Society Organisations, as well as multi-stakeholder initiatives, to deliver programmes that drive positive change for workers in our supply chains and enhance their livelihoods.

FAIRTRADE

Securing a better deal

In 2023/24, we were shortlisted as Fairtrade's Global Partner of the Year, and we continue to support producers through Fairtrade Premium which increased in 2023 to £2.2m across all M&S Fairtrade sales.

In 2023, we also retained our No. 1 position in UK retail for Fairtrade tea and coffee, with a 31% UK retailer market share of all Fairtrade coffee and 48% of Fairtrade tea. £1.73m of our Fairtrade premium was from sales of M&S Fairtrade tea and coffee alone. We have continued to support Fairtrade in developing an innovative approach for Assamese tea to address specific challenges in the region.

Further detail is available here

We were also the first UK retailer to fund the Fairtrade Child Labour Prevention and Remediation programme in Ghana and Cote d'Ivoire in light of the risk of child labour in cocoa supply chains in West Africa.

ETHICAL TRADE CONTINUED

LIVING WAGES
for banana workers

In March 2023, we signed a commitment to close the living wage gap in our banana supply chain by the end of 2027. Over the past year, we have worked to better understand wages in our banana supply chain through data provided by producers using the IDH Salary Matrix.

In 2024/25, we will create our action plan to 2027, working closely within our banana supply chain, with other UK retailers and IDH. More information on the work across the industry is in the IDH joint annual report

CUP OF AMBITION
Empowering smallholder farms

We want to ensure that our coffee and tea not only tastes good, but does good. In May 2023, we launched our "Cup of Ambition" fund. For every cup of tea or coffee sold across our UK cafés, we donate 1p to a programme that empowers our smallholder tea and coffee growers in Latin America and Africa and their communities, with training delivered by our implementation partner, Emerging Leaders.

Over the first six months of the programme, we delivered training to over 500 farmers in three key tea and coffee origins: Peru, Brazil and Malawi. Kely (below), a Peruvian coffee famer, was one of our first trainees. Before Cup of Ambition training, she ran a small 100% organic honey business, in addition to producing coffee as part of the Cooperative Frontera San Ignacio in northern Peru. Thanks to the mindset and financial literacy skills she gained from the programme, Kely has invested in new equipment and doubled her beehives, growing her business and her family's income. More bees mean more pollination for her coffee crop, helping Kely to increase her coffee harvest.

In 2024/25, we plan to roll-out the Cup of Ambition programme to our Kenyan tea growers and tea and coffee producers in other origins. Our roll-out in Kenya is part of our action plan in response to the Human Rights Impact Assessment of Kenyan tea outlined in last year's Sustainability Report.

HEALTHIER FOOD

TARGETS

FOOD NET ZERO

HEALTHIER FOOD

Target
70% of sales in our Food business from healthier products by the end of 2024/2025 (tonnage).

2023/24 progress
69.8%

Target
33% of Remarksable products designated Eat Well.

2023/24 progress
58%

Target
£75m sales of plant-based products by 2024/25.

2023/24 progress
£78m

Health has never been so high on the agenda for food businesses. Our latest Family Matters Index shows that customer focus on healthy eating is a growing priority, with half of consumers planning to eat more healthily in 2024.

The definition of "healthy" is also evolving for consumers, with trends such as high protein and gut health influencing food choices. Our vision is to make it easy for customers to make healthier choices, in whatever way is relevant to them and their families.

Through our health strategy, we are developing innovative product ranges, investing in our marketing to inspire healthy food choices and prioritising health through mechanisms including fresh market specials and Remarksable offers.

Image: M&S High Protein range

LOTS DONE - PROGRESS FOR 2023/24

We take a responsible "no unnecessary ingredients" approach to M&S Food and continuously review our processes, listening to customers and industry experts. Our industry-leading Additive Policy lists additives we do not permit in M&S Food and Drinks, which include monosodium glutamate, artificial colours, artificial flavourings and Aspartame. To further our ambition of having the cleanest ingredients list, 70 additional additives were added to the exclusion list this year and work has commenced to remove these.

Increasing healthier and more sustainable choices for customers
In response to changing health trends and personal dietary requirements, we have launched two new health benefit-led sub-brand food ranges called High Protein and Good Gut. Each range meets strict nutritional criteria and prominent health claims. Over 50 new food products have been created within these ranges, and we have redeveloped a further 10 existing food products to meet the brand guidelines.

In January 2024, M&S launched a world-first collaboration with nutrition-science company ZOE, introducing the M&S x ZOE kefir-based shot. For a nation that does not consume the recommended amount of fibre in our diets, the successful M&S x ZOE product launch and health media campaign has made the topic of gut health more mainstream – we saw our highest ever sales of healthy products and health perception score following the January launches and campaign.

The shot meets specific criteria: over five billion live cultures from 14 different strains of friendly bacteria, high fibre, a source of calcium, contains colourful fruits and no added sugar, sweetener or additives.

We're committed to helping our customers eat more plants by making meat-free options more accessible and appealing and providing innovative, great tasting plant-based, vegan and vegetarian options in our Foodhall. Over two-thirds of our food sales (tonnage) comes from fruit and vegetables, vegetarian and vegan products. This replaces our existing sales-focused plant-based metric, which we've achieved a year ahead of time and are now closing out. This reporting better reflects the healthy and sustainable behaviours we want to drive in our customers' baskets.

Communicating clearly to customers
This year we increased our health communications to customers, including the health content of our social media channels and publishing our first "Health Guide" for customers on topics such as gut health, plant diversity and a balanced plate.

Our Eat Well Sunflower logo signposts healthier choices, and can now be found on the packaging of nearly 2,000 products. An M&S product only achieves the Eat Well health seal of approval if it fulfils evidence-based, nutritional criteria informed by the Government's Eat Well guide and developed by our nutrition team, and is endorsed by the British Nutrition Foundation.

Fresh, healthy food at every price point
Since 2020, we have increased our focus on everyday trusted value and reduced multibuy promotions in our stores. We do not run multibuy offers on products subject to the Government's restrictions for price promotions on products high in fat, sugar and salt (HFSS), despite not yet being required to do so.

HEALTHIER FOOD CONTINUED

Our Remarksable products are price benchmarked against key competitors and we're committed to always having at least a third of our Remarksable products as Eat Well and are consistently overachieving this, averaging over 50% being Eat Well, ensuring healthy and affordable options

Through our Fresh Market Specials, we consistently offer customers amazing value on a range of fruit and vegetables exclusively from trusted M&S Select Farms and these are displayed prominently at the front of our stores.

LOTS TO DO, LOTS OF OPPORTUNITY - FOCUS FOR 2024/25

We have set ourselves a new target to continue growing sales of healthier foods to 70% (tonnage) by the end of 2024/25. We started this year on 68% and our activity so far has already delivered significant progress, with more to do in the year to come. Our definition for healthy sales includes our Eat Well range, and other credible healthier options with demonstrable nutrition claims (e.g. reduced sugar), that meet the government salt and calorie targets.

As we continue to embed our ambitious health strategy, we'll be elevating our existing High Protein and Good Gut health brands even further and adding a new one to the "health family" in the year ahead.

We'll continue to focus on our health communications and campaigns and uphold our leading position on responsible ingredient use. In the coming year, we'll be dialling up our existing "Ask the Nutritionist" service to support more customers with their nutrition queries and share common questions.

PROMOTING HEALTHY EATING *with the FA*

Our six-year partnership with the UK national football teams and their football associations uses football to encourage families to make healthier food choices.

Our 2023/24 "Plate of the Nation" report discusses how the UK's poor diet is impacting families across the country. It also sets out the position that we are taking to help address the issues this raises, and make sure we are part of the solution. One of these commitments is education, showing how easy it is to make simple healthy swaps and highlight healthy foods to inspire children.

Our report findings show that 79% of parents claim their children are more likely to eat healthy food such as fresh fruit and vegetables if they think their favourite football players ate them. We are proud to be part of a sports sponsorship that promotes positive healthy eating messages for children.

Our Eat Well Play Well game plan features our "food formations", developed with the Head of Men's Performance Nutrition at the FA, to give insight on how to tailor daily intake based on eating for energy, recovery or rest days.

Following the launch of our biggest health campaign "Eat Well Play Well" in 2022, we increased advertising support for the campaign on TV and radio and in-store marketing in 2023, signposting customers to our Eat Well products.

By January 2024, awareness of our Eat Well health seal grew to 53% (from 44%), and M&S is consistently recognised as the leading retailer for offering healthy choices.

PEOPLE

Building a high-performance "sleeves rolled up" culture to make sure M&S is a place where everyone can be themselves and be their best is critical to Reshaping M&S for Growth.

EMPLOYABILITY

MARKS & START

Ongoing commitment
Marks & Start is our longstanding employability programme that supports individuals who are disadvantaged or underrepresented in the modern workplace gain access to vital work experience and training.

2023/24 progress

693
Marks & Start work placement started.

81%
of individuals completing work placements were offered an employment contract at M&S.

LOTS DONE – PROGRESS FOR 2023/24

Since 2004, our Marks & Start employability programme, which offers opportunities to young people who face barriers to employment and are furthest from work, has supported over 12,000 young people gain work experience. We have donated over £10m to The Prince's Trust during our partnership.

This year, M&S has supported 693 placements through the programme, with 590 of those taking place as part of a partnership with The Prince's Trust. The programme welcomed many from diverse backgrounds, with 26% from ethnic minorities and 29% having a declared disability. Our Marks & Start programme has a strong focus on mental wellbeing to support people coming into the workplace. Each apprentice is paired with a M&S "buddy" colleague in-store who supports the young person while they are on placement. We have also introduced a "Supporting you at M&S" workshop for those on the programme, and provide access to our support networks.

This year, we won the Employment Impact Award at The Prince's Trust Partnership Awards in recognition for the contribution of our Marks & Start programme in helping young people into work.

LOTS TO DO, LOTS OF OPPORTUNITY - FOCUS FOR 2024/25

To support continued social mobility, the year ahead – marking the 20th anniversary of the partnership with The Prince's Trust – will see a focus on translating more placements into long-term careers at M&S. We are also further embedding career development into the programme and plan to run more tailored career events for these colleagues.

WELLBEING

LOTS DONE – PROGRESS FOR 2023/24

M&S continues to invest in the wellbeing of its colleagues and their families.

We continued to celebrate our long service colleagues, monitor engagement and continually review culture and operating processes to ensure everyone at M&S feels welcome.

This year, we launched several new training initiatives to equip managers to be able to better support their teams, including wellbeing training which has been completed by all 600 of our store managers.

We also launched Trusted Adult training for colleagues through our partnership with YoungMinds. Aimed at colleagues who interact with young people, this training equips them with practical conversational tools and insights for effective conversations about mental health. Over 400 of our colleagues have completed this training.

LOTS TO DO, LOTS OF OPPORTUNITY - FOCUS FOR 2024/25

Following the successful roll-out of wellbeing training to store managers this year, 4,800 team managers in stores will complete the training in 2024/25, with a wider business roll-out later in the year.

We regularly review our benefits offering, working closely with our Business Involvement Group (BIG) and listening to our colleagues' priorities so that our benefits reflect our colleagues' needs. Our wellbeing benefits are grouped under core themes, supported by external partners, specialists and charities:

Healthy lifestyles	Healthy finances	Supporting our colleagues
Free GP access and discounted health support for colleagues and their families	Pensions and savings schemes, life insurance	Free expert support, counselling, and therapies for colleagues and their families
Discounts across gym memberships and M&S products, including third-party brands	Financial wellbeing advice and debt consolidation loans	Free physiotherapy accessed via self-referral for all colleagues
Building cancer awareness with free screenings for high- and medium-risk colleagues	Shares and M&S Bank offers	Practical, emotional, and financial support through our industry charity partners
Public transport season tickets and sustainable travel initiatives	Payroll giving	

PEOPLE CONTINUED

A LEADING EMPLOYER *for women*

In 2023, we set out our ambition to become the leading employer for women in retail. Over 2023/24, we have made good progress against our goal, with M&S the highest-ranking UK company in the Forbes' Best Place to Work for Women. We have also:

- Made substantial improvements to family leave policies. M&S almost doubled its maternity and adoption leave to 26 weeks at full pay while also increasing paternity leave from two weeks to six weeks at full pay. In May 2023 we also introduced a new Neonatal Leave policy providing up to 12 weeks of additional leave for any M&S colleague whose baby requires specialist neonatal care.
- Been accredited as a Menopause-Friendly Employer.
- Achieved our target of 50% of leadership roles held by women by 2025.
- Ensured strong representation of women in our talent pipelines with 60% of colleagues on an internal development programme.
- Established "Women in Logistics" network and hosted "Women in Data" events as we aim to improve representation and experience of women in typically male-dominated areas.
- Gained the Menopause Friendly Accreditation through menopause workplace training specialist HenPicked. Managers across the business have been offered training to support them to help their teams and open up conversations on the topic.
- Offered menopause-friendly uniform items and, since launching, colleagues have ordered over 95,000 pieces. Following a listening group with the CEO, this was fast tracked, so colleagues had access to the products sooner.
- Added "menopause" as a reason for absence following a suggestion through our "Straight to Stuart" colleague suggestion portal.

DIVERSITY, EQUITY & INCLUSION

TARGETS

SENIOR MANAGER DIVERSITY

Target 50% of senior managers are female by 2025/26.	**2023/24 progress:** **50%**
Target 20% of senior manager roles held by colleagues from ethnic minority backgrounds by 2030.	**2023/24 progress:** **4.3%**

LOTS DONE – PROGRESS FOR 2023/24

At the start of 2023/24 we reset our approach to DE&I to better equip our leaders across the business to take ownership of driving an inclusive workplace. Our new DE&I framework has targets and KPIs to support our ESG commitments, such as reviewing hires, promotions and leaver rates to understand diversity trends and take action.

This year the EMERGE Talent programme was launched, which aims to equip colleagues from ethnic minority backgrounds with additional skills, knowledge and confidence to take ownership of their personal and career development. 30 colleagues joined the first cohort which launched in March.

Growing colleague networks
Colleague networks are an important way to build communities in the workplace and help to make everyone feel at home while at work. M&S operates a number of colleague-led networks, spanning racial, family, cultural, sexual and gender identities – designed to bring diverse communities together. ExCo sponsorship was introduced this year to elevate the networks given their importance to the business.

Network membership has grown by 47%, with over 10,000 members across the eight networks. The networks have played a crucial role in driving our inclusion and diversity strategy and progress through consistent feedback and challenge, including in listening sessions with CEO Stuart Machin, with actions taken on the back of each one.

Say pants to the tax
In 2023, in partnership with period-proof underwear brand WUKA and with the support of politicians, charities, business leaders, and likeminded brands, we called on the Government to remove the VAT that currently applies to period pants. We launched a campaign with a public petition, achieving 10,000 signatures in the first 24 hours, followed by a visit to deliver a letter supporting the campaign to Downing Street and a session with MPs. In the Autumn Statement the Chancellor announced that, from January 2024, period underwear would be zero-rated for VAT.

LOTS TO DO, LOTS OF OPPORTUNITY - FOCUS FOR 2024/25

Our focus is on improving the experience and representation of colleagues from ethnic minority backgrounds, while developing plans that support colleagues with accessibility challenges, those with caring responsibilities and colleagues working later in their lives to be at their best.

Following the launch of the EMERGE Talent programme we plan to roll-out the programme to team managers in the coming year.

In the coming year, ExCo colleague network Sponsors and Co-Chairs will be operating to a Network Charter so that we have a clear framework and always aim higher in how we represent our colleague communities.

COMMUNITY

FUNDS DONATED AND RAISED

£5.6m
funds donated by M&S in 2023/24

£2.1m
funds raised through customers, colleagues and partners in 2023/24

LOTS DONE – PROGRESS FOR 2023/24

To increase our community impact, we reset our Community Strategy in 2023/24, launching our new headline partnership with YoungMinds and reshaping our existing programmes and partnerships. Previously we worked with too many charities and we lacked focus. Now, we are collectively focused on YoungMinds, we have made our Sparks charity partners more personalised, and reshaped existing partnerships, each with a much clearer purpose and scope.

This year we donated £5.6m to charitable causes. This includes a £1m donation to YoungMinds at the launch of our partnership and £2m donated to our 36 Sparks charity partners in the UK (M&S donates 1p every time a customer shops through our Sparks loyalty scheme). The remaining amount was donated to our long-term partners through cause-related product donations, including Breast Cancer Now, Shelter, Macmillan and Great Ormond Street Hospital Charity.

Our customers and colleagues raised £700,000 for YoungMinds, as well as supporting Macmillan, and this year we relaunched our local fundraising in stores across the UK.

SUPPORTING YOUNG PEOPLE'S *mental health*

Five children in every UK classroom struggle with their mental health, and this issue consistently tops the list of things that our customers and colleagues say they care strongly about.

Through our partnership with YoungMinds, we want to raise awareness of the mental health support available to young people. Our goal is to raise £5m over three years so YoungMinds can double its support to reach seven million young people and the adults in their lives across the UK. We will also help our 32m customers and 64,000 colleagues understand more about young people's mental health so they feel able to have better conversations with those around them who may be struggling.

Our partnership has resonated strongly with M&S colleagues; within just a few months, 400 have completed Trusted Adult training – a 40-minute webinar on how to recognise when young people are struggling – and over 130 colleagues have joined the YoungMinds Network to drive the delivery of the partnership and access peer-to-peer support. With customers we grew the conversation about young people's health with the partnership featuring on Loose Women, Capital Radio, Sky News and the Metro, as well as across all our customer channels online, in store and through social media. Since the launch of the partnership, M&S has donated a total of £1.7m and this year YoungMinds has seen a 4% increase in brand awareness with young people, a 15% increase in visits to its website and an 83% increase in calls to their Parents Helpline, showing that more people are accessing the support they need.

This year, we will be engaging our colleagues and customers even further with a regular drumbeat of activity including colleague fundraising events, donations from products and amplifying Hello Yellow Day, YoungMinds' national moment for World Mental Health Day in October.

SUPPORTING YOUNG PEOPLE'S MENTAL HEALTH

M&S | **YOUNGMINDS**

Together, we've got this

GOVERNANCE

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Image: M&S British Red Diamond Strawberries

GOVERNANCE

Accountability for the delivery of our ESG strategy sits with our CEO, while the Board provides oversight through our ESG Committee.

Effective and robust governance underpins our ESG Strategy and there is a clear governance framework in place to support delivery of it. The ExCo, led by the CEO, is accountable for setting and delivering the strategy, with individual Directors accountable for delivery within their areas, and the Corporate Affairs Director accountable for overall delivery of the programme. The ESG Committee provides a strategic oversight role in challenging strategy and supporting delivery plans. The ESG Business Forum supports the accountability and decision-making functions of the ExCo and ESG Committee.

LOTS DONE- 2023/24 HIGHLIGHTS

Having reset Plan A in 2021, we have mobilised the delivery of our net zero goal and priority actions across the organisation. In 2023/24, we focused on extending the scope of Plan A to areas about which we know our customers care most. We are now sourcing clearer data to support our net zero goal and related targets and map out more accurately how to achieve them. We have also started work to better understand the implications of new regulations that will affect the business, including ESG disclosure requirements and deforestation.

Strategic responsibility

Delivery of our ESG strategy and Plan A is embedded across our nine strategic priorities and through our business-unit led operating model. We utilise data, digital and technology solutions and innovation to support the delivery of our ESG strategy, and data aids ESG decision-making so we focus on the issues that are material to our business, and matter most to customers and wider stakeholders.

The ESG projects and programmes inform decisions across all levels and departments. Our business-unit led operating model ensures full accountability for ESG and a straightforward way of working that is embedded into the business, led by the respective Managing Directors.

Our central ESG team plays a critical internal oversight role, both supporting the business units, and holding them to account for performance and reporting. This ESG team sits within the wider Corporate Affairs team, reflecting the continued volume of environmental regulations, the range of external stakeholders and the strong link between ESG and the M&S brand. As a result, it also works closely with the business units, Marketing, Risk and Internal Audit, Finance, Legal and Communications teams.

ESG Business Forum

The ESG Business Forum - a cross-functional group of senior leaders and subject matter experts across M&S that plays a key role in tracking ESG progress against targets - was set up in 2023. It meets on a quarterly basis to review ESG performance, discuss cross-business topics, unblock issues and approve items before they go forward to our ExCo and ESG Committee. Each meeting focuses on performance updates, risk management and innovating our delivery of our net zero goal, as well as topical updates.

GOVERNANCE STRUCTURE

BOARD

Ultimate responsibility for both risk management and ESG framework, including those risks and opportunities related to climate change. Approves the Company's ESG strategy, including the business-wide target to become net zero.

EXECUTIVE COMMITTEE

EXECUTIVE COMMITTEE

The CEO is responsible for overseeing the development of business-wide strategic goals and is accountable for the company's business-wide ESG programme. Executive Committee members are individually responsible for setting ESG strategy and putting in place mechanisms to deliver the strategy. Executive Committee members are individually responsible for reviewing and confirming ESG-related risks in their own areas.

BOARD COMMITTEES

ESG COMMITTEE

Responsible for ensuring the Company's ESG strategy and associated governance is fit for purpose, and that plans are in place and reported on. Advises the Audit & Risk Committee on ESG related risks.

AUDIT & RISK COMMITTEE

Responsible for the effectiveness of the risk management process. Receives updates from business leadership and reviews the principal risks twice a year.

MANAGEMENT FORUMS

BUSINESS AND FUNCTIONAL LEADERSHIP TEAMS

Responsible for the delivery of the ESG strategy in their respective areas of the business. Responsible for the risk register of their business, and for managing and resourcing mitigating activities.

ESG BUSINESS FORUM

Responsible for driving progress against the workstreams and targets of the Company's ESG programme and managing ESG-related risks.

Meets quarterly to review progress against targets and provide updates to the Executive Committee and ESG Committee.

ESG COMMITTEE REVIEW

As ESG Committee Chair it has been great to see another year of positive momentum and progress towards delivery of our net zero and wider ESG goals. Plan A has a critical role to play in delivering exceptional product and upholding our trusted brand. From sourcing and making our products with care, to delivering sustainable, profitable growth through progressing our carbon reduction programme, I thank the ExCo and their teams for continuing to embed the ESG programme into the business. As Stuart says, lots done, lots to do and lots of opportunity!

DELIVERY OF OUR ESG STRATEGY

The focus for the Committee this year has very much been on driving delivery, and the Committee has welcomed a more granular and engaging level of reporting throughout the year – the benefits of which can be seen in this report.

We reviewed the strategic progress being made across each business – Food and Clothing & Home – as well as in our store estate and logistics network. In Food we discussed a wide range of topics including reducing packaging units and innovations in alternative packaging. In Clothing & Home, we challenged the business to go further on plastic reduction in the supply chain and debated our customer circularity proposition. Across our store estate we now have greater visibility of carbon emissions data on a store-by-store basis and the Committee reviewed progress on carbon emission reduction in the logistics network following the integration of Gist. In regards to social issues, the Committee reviewed how the business is making strides to ensure it is doing all it can to protect human rights, and supported the reset of the Community strategy and fantastic anchor partnership with YoungMinds.

PERFORMANCE UPDATES AND REPORTING

The Committee has been encouraged to see an improvement to the internal ESG governance and data management processes flowing from the regular cadence of meetings and disclosure from the ESG Business Forum to the ExCo and then the Committee, including improvements to the basis of reporting for ESG-related disclosures. The resulting quarterly performance updates showing in-year progress against agreed metrics and targets have been clear and the Committee has used these to challenge gaps or issues, and also champion further progress as appropriate. The Committee has received updates on the work undertaken to develop a more detailed level of understanding of our carbon reduction glidepath, particularly in relation to the harder-to-measure Scope 3 emissions which make up 94% of our total inventory.

BRAND BUILDING AND ENGAGEMENT

The Committee has received quarterly updates from the ESG Reputation Tracker showing how customers view M&S' ESG programme and what matters most to them. We now have a year's worth of data so can see trends and this will be used in the coming year to further refine the Plan A customer communication and "brand building" strategy. In addition, through reviewing the results of in-store ESG messaging audits, the Committee has challenged the business to create a clear and aligned way of communicating to customers "at the shelf edge", so that Plan A has a consistent and recognisable identity across all touchpoints.

OUTSIDE-IN AND RISKS

The Committee has been fortunate enough to have welcomed external speakers and experts and heard their views as part of our horizon-scanning of ESG themes, trends and threats. We have heard valued contributions and conducted healthy debate on a range of subjects and these outside-in views have provided useful challenge and insight, which contributes to the refinement of our strategy. In addition to the views of experts, the Committee has discussed and assessed ESG risks and opportunities, in order to advise the Audit & Risk Committee in their half-year and full-year review of principal risks. We have also been made aware of the increasingly complex and changing ESG regulations and standards that are likely to impact the business in the coming years and are supportive of the trials with Artificial Intelligence that can help us spot positive or negative ESG trends.

FOCUS FOR THE YEAR AHEAD

In the coming year we will be reviewing our carbon reduction glidepath given the improved understanding we have of our Scope 3 emissions, as well as understanding the new FLAG guidance, and considering whether we need to expand our ESG strategy beyond its current areas of focus. In addition, we will consider the ESG Reputation Tracker data to ensure we are effectively communicating to customers and wider stakeholders on the issues that matter most to them. We will continue to hold the ExCo to account for delivery of agreed targets and challenge where there are gaps.

Underpinning all of this will be constructive challenge for the ExCo and their teams to make sure we continue to always aim higher, innovate, and use the best "outside-in" stimulation from external leaders and subject matter experts.

Tamara Ingram

Chair of the ESG Committee

ESG DATA

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Image:
M&S Leeds White Rose

ESG DATA INTRODUCTION

The metrics in this report are those we believe are the most relevant and material to the sustainability challenges we face. They also reflect what our customers, colleagues and investors see as important to our business.

REVOLVING CREDIT FACILITY
M&S has access to a Revolving Credit Facility (RCF), agreed in December 2021 and updated in November 2022. Under the terms of the RCF, the applicable interest rate may be adjusted each year (downward or upward) depending on whether we meet all, some or none of the targets in place across the four agreed sustainability KPIs.

We have updated targets for each financial year between now and financial year 2025/26. The sustainability-related KPIs remain unchanged following the November 2022 update and focus on material emissions hotspots aligned with our net zero roadmap, and which lend themselves to annual updates during the lifetime of the facility.

This data is subject to a separate external assurance process scheduled to be published in autumn 2024.

We will publish our Basis of Reporting document for our RCF sustainability-related KPIs, outlining the scope and methodology, alongside our performance update in autumn 2024.

The majority of the data and statements in this report relate to our most recent financial year (2023/24) and the previous financial year (2022/23). Where data relates to the calendar year or another period, this is clearly stated. Note that percentage change and summed total figures in this report may not align precisely to the figures provided in data tables due to rounding.

Detail on how the data in this report has been prepared is in our Basis of Reporting 2024.

Go to our Basis of Reporting 2024

To note, the performance updates published in this report are not performance updates against M&S Revolving Credit Facility Sustainability KPIs.

SUSTAINABILITY KPIS

Proportion of soy used in animal feed sourced from physically certified deforestation and conversion-free supply chains

Target for financial year ending March 2026
100%

Proportion of polyester used in Clothing & Home products from verified recycled sources

Target for financial year ending March 2026
100%

Cumulative metric tonnes of Scope 1 & 2 GHG emissions reduced from the property estate through the implementation of emissions-saving schemes (calculated against a baseline of property estate emissions for the financial year 2021/22)

Target for financial year ending March 2026
34,000 tCO_2e (cumulative reduction)

Cumulative number of plastic pieces (units) that have been removed from the packaging portfolio (calculated from the start of the financial year 2021/22)

Target for financial year ending March 2026
405m units (cumulative reduction)

ENVIRONMENT – NET ZERO

METRIC	TARGET	2023/24 PERFORMANCE	2022/23 PERFORMANCE ^	BASE YEAR PERFORMANCE	ASSESSMENT OF PROGRESS	REFERENCE
ENERGY CONSUMPTION						
Total energy consumption (M&S Group)	–	**1,458,769****	**1,471,503**	**1,499,147**		
SCOPE 1 & 2 GHG EMISSIONS						
Direct emissions from operations (Scope 1) (000 tonnes CO_2e)	–	207**	225	240		IFRS draft S2-21(a)(i) TCFD Guidance Table A2.1
Location-based indirect energy emissions from operations (Scope 2) (000 tonnes CO_2e)	–	154**	137	296		IFRS draft S2-21(a)(i) TCFD Guidance Table A2.1
Total location-based Scope 1 & 2 emissions (000 tonnes CO_2e)	**55% reduction by 2029/30** (vs 2016/17 base year)	**361** 33% reduction against base year**	**362** 32% reduction against base year**	**536**		**IFRS draft S2-21(a)(i) TCFD Guidance Table A2.1**
Market-based indirect energy emissions from operations (Scope 2) (000 tonnes CO_2e)	–	233**	20	NA		IFRS draft S2-21(a)(i) TCFD Guidance Table A2.1
Total market-based Scope 1 & 2 emissions (000 tonnes CO_2e)	–	439**	245	NA		**IFRS draft S2-21(a)(i) TCFD Guidance Table A2.1**
Total location-based emissions per 1,000 sq ft of salesfloor (tonnes CO_2e per sq ft)	–	18.1**	18.5	NA		IFRS draft S2-21(a)(ii) TCFD Guidance Table A2.1
Total market-based emissions per 1,000 sq ft of salesfloor (tonnes CO_2e per sq ft)	–	22.1**	12.5	NA		IFRS draft S2-21(a)(ii) TCFD Guidance Table A2.1
SCOPE 3 GHG EMISSIONS						
Total Scope 3 GHG emissions (million tonnes CO_2e)	**55% reduction by 2029/30** (vs 2016/17 base year)	**-**	**5.2***	**5.0***		**TCFD Guidance Table A2.1**

* FIgures have been restated due to methodological and data improvements. Going forward we will report Scope 3 emissions a year in arrears.
** Assured by DNV.
^ Figures for previous reporting periods are restated to reflect data accuracy improvements.

Target missed · Behind or pathway in progress · On track or achieved · No target

ENVIRONMENT – NET ZERO

	LOCATION-BASED SCOPE 1 & SCOPE 2 GHG EMISSIONS (000 tonnes CO_2e)		ENERGY (MWh)		
	2023/24 PERFORMANCE	2022/23 PERFORMANCE^	2023/24 PERFORMANCE	2022/23 PERFORMANCE^	REFERENCE
FLEET	**142**	**145**	**598,557**	**598,927**	
Fuel	140**	143	598,557**	598,927	SASB FB-FR-110a.1
Refrigerant leakage	2**	2	-	-	SASB FB-FR-110b.1
UK & ROI PROPERTY	**190**	**196**	**814,356**	**838,546**	
Refrigerant leakage	25**	36	-	-	SASB FB-FR-110b.1
Gas	37**	41	204,397**	222,404	SASB FB-FR-130a.1(1)
Heating fuel oils	1**	1	2,914**	3,441	SASB FB-FR-130a.1(1)
LPG	0** †	0	163**	169	SASB FB-FR-130a.1(1)
District heating and cooling	1**	1	2,830**	3,208	SASB FB-FR-130a.1(1)
Generated electricity (diesel)	0** †	0	92**	202	SASB FB-FR-130a.1(1)
Generated electricity (solar PV)	0** †	-	5,309**	5,021	SASB FB-FR-130a.1(3)
Purchased electricity (grid)	111**	1	533,887**	4,330	SASB FB-FR-130a.1(2)
Purchased electricity (renewable)	15**	117	64,650**	599,770	SASB FB-FR-130a.1(3)
Biomass (wood pellets)	0** †	-	113**	-	SASB FB-FR-130a.1(1)
INTERNATIONAL PROPERTY	**29**	**21**	**45,856**	**34,030**	
Refrigerant leakage	1**	3	-	-	SASB FB-FR-110b.1
District heating and cooling	0** †	0	2,057**	1,993	SASB FB-FR-130a.1(1)
Generated electricity (diesel)	0** †	0	103**	160	SASB FB-FR-130a.1(1)
Purchased electricity (grid)	28**	18	43,695**	31,876	SASB FB-FR-130a.1(2)
Total	**361****	**362**	**1,458,769****	**1,471,503**	

^ Figures for previous reporting periods are restated to reflect data accuracy improvements.
** Assured by DNV.
† Emissions for some energy sources appear as a 0 due to data rounding.

ENVIRONMENT – NET ZERO

METRIC	2023/24 PERFORMANCE	2022/23 PERFORMANCE	REFERENCE
GROUP			
Group electricity use (MWh)	647,738	641,361	SASB FB-FR-130a.1(2)/(3)
Group electricity that is renewable (% of total global electricity use)	**11%****	**94%**	SASB FB-FR-130a.1(3)
Group renewable electricity that is generated (% of total global renewable electricity use)	8%	1%	SASB FB-FR-130a.1(3)
Group renewable electricity that is purchased via green tariffs or certificates (% of total global renewable electricity use)	92%	93%	SASB FB-FR-130a.1(3)
UK & ROI STORES			
UK & ROI store electricity use (MWh)	533,371	540,216	SASB FB-FR-130a.1(2)/(3)
UK & ROI store electricity that is renewable (% of total UK & ROI store electricity use)	**12%****	**100%**	SASB FB-FR-130a.1(3)
UK & ROI renewable store electricity that is generated (% of total UK & ROI renewable store electricity use)	2%	0%	SASB FB-FR-130a.1(3)
% of UK & ROI renewable store electricity that is purchased via green tariffs or certificates (% of total UK & ROI renewable store electricity use)	98%	100%	SASB FB-FR-130a.1(3)

** Assured by DNV.

ENVIRONMENT – FOOD

FOOD

METRIC	TARGET	2023/24 PERFORMANCE	2022/23 PERFORMANCE	ASSESSMENT OF PROGRESS	REFERENCE
LOW-IMPACT FARMING					
% of UK growers certified to LEAF Marque (% of all UK growers for M&S)	-	96%	96%	No target	
Average % of core Landscape and Nature module practices reported to be in place (Average % of all UK LEAF Marque growers)	-	90%	86%	No target	
Average % of core Integrated Pest Management module practices reported to be in place (Average % of all UK LEAF Marque growers)	-	88%	69%	No target	
RESPONSIBLE SOURCING					
Total soy (direct and indirect) **used in own-brand products** (tonnes)	-	Indirect soy: 104,158^^ Direct soy: 2092	Indirect soy: 99,800^^ Direct soy: 500^^	No target	SASB FB-FR-430a.3 UK Soy Manifesto
Soy sourced from verified deforestation- and conversion-free (vDCF) **supply chains** (% of total direct and indirect soy)	100% by 2025/26 NET ZERO	66%^^	39%^^	On track or achieved	SASB FB-FR-430a.3 UK Soy Manifesto
Soy sourced from physically certified deforestation- and conversion-free supply chains (% of indirect soy)	100% by 2025/26	71%^^	46%^^	On track or achieved	SASB FB-FR-430a.3 UK Soy Manifesto
Total amount of palm oil used in own-brand products (tonnes)	-	5,069 ^^	5,121 *** ^^	No target	
RSPO Certified Sustainable Palm Oil with Segregated status (% of palm oil)	100% by 2025/26 NET ZERO	98% ** ^^ ††	98%*** ^^ ††	On track or achieved	SASB FB-FR-430a.3

** Assured by DNV.
*** Assured by DNV in 2023 as published in the M&S 2023 Sustainability Report.
^^ Figures are calendar year.
†† % of Palm Oil used in own-brand food products.

Target missed · Behind or pathway in progress · On track or achieved · No target

ENVIRONMENT – FOOD CONTINUED

FOOD

METRIC	TARGET	2023/24 PERFORMANCE	2022/23 PERFORMANCE	ASSESSMENT OF PROGRESS	REFERENCE
RESPONSIBLE SOURCING					
Fairtrade-certified tea and coffee (% of all M&S tea and coffee products)	Maintain 100%	100%	100%	On track or achieved	SASB FB-FR-430a.2 TCFD Metric
Fairtrade Premium generated by M&S sales for Fairtrade producers (£)	-	£2,218,212	£2,106,814	No target	
100% of cocoa (by volume) **used in own-brand products to be sourced through sustainability schemes**	Maintain 100%	100%	100%	On track or achieved	SASB FB-FR-430a.2

Target missed · Behind or pathway in progress · On track or achieved · No target

ENVIRONMENT – CLOTHING & HOME

C&H

METRIC	TARGET	2023/24 PERFORMANCE	2022/23 PERFORMANCE	ASSESSMENT OF PROGRESS	REFERENCE
RESPONSIBLE SOURCING					
Cotton used in Clothing & Home products from more responsible sources (% of all cotton used)	100% by 2025/26	Clothing 100% Home 93%	Clothing 100% Home 90%	On track or achieved	SASB CG-AA-440a.4(2) TCFD Metric
Polyester used in Clothing & Home products from verified recycled sources (% of all polyester used)	100% by 2025/26 NET ZERO	70%*	49%	On track or achieved	SASB CG-AA-440a.4(2) TCFD Metric
MMCF used in Clothing & Home products from more responsible sources (% of all MMCF used)	100% by 2025/26	47%	45%	Behind or pathway in progress	SASB CG-AA-440a.4(2)
Leather used in Clothing & Home products from Leather Working Group (LWG) **certified finishing tanneries** (% of all leather used)	100% by 2030/31	100%	97%^^	On track or achieved	SASB CG-AA-440a.4(2)
Wool from more responsible sources (% of all wool used in clothing products)	50% by 2025/26, 100% by 2030/31	29%	13%	On track or achieved	
SUSTAINABLE MANUFACTURING					
Clothing & Home Tier 1 and Tier 2 suppliers with a verified Higg FEM (Facility Environmental Module) **result**	50% of invited suppliers verify their Higg FEM 2022 module NET ZERO	Tier 1 – 77% Tier 2 – 86%	Tier 1 – 72% Tier 2 – 86%	On track or achieved	SASB CG-AA-430a.2

* This data is subject to a discret assurance process linked to our financing and is scheduled to be published in autumn 2024.
^^ Figures are calendar year.

Target missed · Behind or pathway in progress · On track or achieved · No target

ENVIRONMENT – WASTE & CIRCULARITY

FOOD C&H

METRIC	TARGET	2023/24 PERFORMANCE	2022/23 PERFORMANCE	ASSESSMENT OF PROGRESS	REFERENCE
FOOD WASTE					
Total food not sold (tonnes)	–	20,800**	18,204 ***		
Total food not sold that was fit for human consumption (tonnes)	–	12,457	10,576		
Total food not sold that was not fit for human consumption (tonnes)	–	8343	7,628		
Total food not sold that was fit for human consumption which was not redistributed (tonnes)	–	1,825	2,201		
Food waste (tonnes)	50% reduction by 2029/30 NET ZERO	10,168** 44% redu ction against base year	9,829*** 46% reduction against base year		SASB FB-FR-150a.1
Food not sold that was fit for human consumption which was redistributed to charities, community organisations or colleagues (food surplus) (% of food not sold that was fit for human consumption)	100% by 2025/26 NET ZERO	85%	79%		
Food surplus (tonnes/meal equivalents)	–	10,632 tonnes** 25.3m meals**	8,375 tonnes*** 19.9m meals***		
SHWOPPING					
Items collected through Shwopping (number)	– NET ZERO	302,857	308,555		
OPERATIONAL WASTE					
Total operational waste (tonnes)	–	69,808**	69,000***		
Operational waste to landfill (% of total operational waste)	Maintain 0%	0%**	0%***		

** Assured by DNV.
*** Assured by DNV in 2023 as published in the M&S 2023 Sustainability Report.

Target missed · Behind or pathway in progress · On track or achieved · No target

ENVIRONMENT – WASTE & CIRCULARITY CONTINUED

FOOD C&H

METRIC	TARGET	2023/24 PERFORMANCE	2022/23 PERFORMANCE	ASSESSMENT OF PROGRESS	REFERENCE
PACKAGING					
Group total primary packaging placed on the market (all packaging materials including clothing hangers) (tonnes)	–	114,000^^	112,000^^	No target	FB-FR-430a.4, CG-MR-410a.3
Own-brand	–	108,000^^	103,000^^	No target	
Branded	–	6,000^^	9,000^^	No target	
Group total primary plastic packaging placed on the market (includes clothing hangers) (tonnes)	–	37,000^^	37,000^^	No target	FB-FR-430a.4, CG-MR-410a.3, UK Plastics Pact
Own-brand	–	36,000^^	36,000^^	No target	
Branded	–	1,000^^	1,000^^	No target	
Foods primary plastic packaging placed on the market (tonnes)	–	30,000^^	30,000^^	No target	FB-FR-430a.4, UK Plastics Pact
Own-brand	–	29,000^^	29,000^^	No target	
Branded	–	1,000^^	1,000^^	No target	
Clothing & Home primary plastic packaging placed on the market (excluding hangers) (tonnes)	–	2,000^^	2,000^^	No target	CG-MR-410a.3, UK Plastics Pact
Own-brand	–	2,000^^	2,000^^	No target	
Branded	–	0^^	0^^	No target	
Plastic clothing hangers (including both new hangers and used hangers that are collected and returned to suppliers for reuse) (tonnes)	–	4,000^^	5,000^^	No target	CG-MR-410a.3, UK Plastics Pact
Number of individual pieces of plastic (units) **that have been removed from the M&S own-brand packaging portfolio**	Remove 1bn units of plastic packaging by the end of 2027/8, and remove 75m units in 2022/23 NET ZERO	144m	97m	On track or achieved	FB-FR-430a.4, UK Plastics Pact
Food own-brand primary plastic packaging that is widely recyclable in the UK (% of total UK packaging by weight)	100% by 2025/26 NET ZERO	91% ** ^^	93%*** ^^	Behind or pathway in progress	FB-FR-430a.4,
Clothing & Home own-brand primary plastic packaging that is widely recyclable in the UK (% of total UK packaging by weight)	100% by 2025/26 NET ZERO	80% ** ^^	-	Behind or pathway in progress	CG-MR-410a.3,

^^ Figures are calendar year.
** Assured by DNV.
*** Assured by DNV in 2023 as published in the M&S 2023 Sustainability Report.

Target missed · Behind or pathway in progress · On track or achieved · No target

SOCIAL – ANIMAL WELFARE

FOOD

METRIC	TARGET	2023/24 PERFORMANCE	2022/23 PERFORMANCE	ASSESSMENT OF PROGRESS	REFERENCE
ANIMAL WELFARE					
Ranking amongst retailers with highest number of products within M&S Food product range adhering to RSPCA Assured certification	Maintain #1 position	#1	#1	On track or achieved	
Tier in the Business Benchmark on Farm Animal Welfare (BBFAW)	Maintain Tier 1	Tier 2*	Tier 1	On track or achieved	

* We retained our leadership position on the Business Benchmark on Farm Animal Welfare, despite significant changes to the assessment scope.

Target missed · Behind or pathway in progress · On track or achieved · No target

SOCIAL – HEALTHIER FOOD

FOOD

METRIC	TARGET	2023/24 PERFORMANCE	2022/23 PERFORMANCE	ASSESSMENT OF PROGRESS	REFERENCE
HEALTHIER FOOD					
Sales of plant-based products (£)	£75m by 2024/25 NET ZERO	£78m	£65m	On track or achieved	TCFD Metric
Food sales from healthier products (Tonnage)	70% by 2024/25	69.8%	-	On track or achieved	SASB FB-FR-260a.1
Remarksable products designated Eat Well (% of Remarksable range)	Maintain 33%	58%	57%	On track or achieved	

Target missed · Behind or pathway in progress · On track or achieved · No target

SOCIAL - PEOPLE

METRIC	TARGET	2023/24 PERFORMANCE	2022/23 PERFORMANCE	ASSESSMENT OF PROGRESS	REFERENCE
DIVERSITY, EQUITY & INCLUSION					
Employees who are female (% of all employees)	–	68.1%	68.5%	No target	SASB CG-MR-330a.1
Senior managers who are female (% of all senior managers)	50% by 2025/26	50%	44.8%	On track or achieved	SASB CG-MR-330a.1
Senior managers from ethnic minorities (% of all senior managers)	20% by 2030*	4.3%	5.4%	Behind or pathway in progress	SASB CG-MR-330a.1
Board directors who are female (% of all Board directors)	Maintain 40%	55%	55%	On track or achieved	Listing Rule 9.8.6R (9)
Senior Board roles (CEO/Co-CEO/CFO/ Chair/SID) **occupied by women** (number)	–	1	1	No target	Listing Rule 9.8.6R (9)
Gender pay gap (mean) (%)	–	12.6%	12.5%	No target	
EMPLOYABILITY					
Marks & Start work placements started	–	693	748	No target	
Individuals completing Marks & Start work placements who were offered an employment contract at M&S (% of all placements)	–	81%	80%	No target	

* We have reset our target for ethnic minority representation in senior manager roles, and aim to have 12% ethnic minorty representation by 2027 (in line with the Parker Review) and 20% by 2030 - for more information see page 85 of the M&S Annual Report.

Target missed · Behind or pathway in progress · On track or achieved · No target

SOCIAL – COMMUNITY

METRIC	TARGET	2023/24 PERFORMANCE	2022/23 PERFORMANCE	ASSESSMENT OF PROGRESS	REFERENCE
COMMUNITY					
Funds donated by M&S (£)	–	£5.6m**	£5.8m***		
Funds raised through customers, colleagues and partners (£)	–	£2.1m**	£2.3m***		

** Assured by DNV.
*** Assured by DNV in 2023 as published in the M&S 2023 Sustainability Report.

Target missed · Behind or pathway in progress · On track or achieved · No target

INDEPENDENT ASSURANCE STATEMENT TO THE DIRECTORS OF MARKS AND SPENCER PLC

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 ESG Report 2024 (the "Report") for the reporting period 2 April 2023 to 30 March 2024.

Our Conclusion: On the basis of the work undertaken, nothing came to our attention to suggest 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 INFORMATION
The scope and boundary of our work is restricted to the Indicators included within the Report for the 2024 Reporting period (the "Selected Information"), listed in the Appendix.

To assess the Selected Information, which includes an assessment of the risk of material misstatement in the Report, we have used 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 M&S website for the current reporting period or for previous periods.

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; For the "RSPO Certified Sustainable Palm Oil with Segregated status (% of all palm oil)" metric the source evidence checked was the RSPO certification held by the palm oil suppliers provided by a M&S third party consultant contracted by M&S.
- 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.

In performing these activities, we did not come across limitations to the scope of the agreed assurance engagement.

We found a limited number of non-material errors and these were corrected prior to inclusion in the Report.

STANDARD AND LEVEL OF ASSURANCE
We performed a limited assurance engagement of specified data and information using the 'Greenhouse Protocol – A Corporate Accounting and Reporting Standard' (revised 2015) and international assurance best practice including the International Standard on Assurance Engagements (ISAE) 3000 – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' (revised) issued by the International Auditing and Assurance Standards Board. To ensure consistency in our assurance process, we conducted our work in accordance with DNV's assurance methodology, Verisustain™, applying only the pertinent sections of the protocol relevant to the specific purpose of the activity. This methodology ensures compliance with ethical requirements and mandates planning and execution of the assurance engagement to obtain the desired level of assurance.

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO IEC 17029:2019 - Conformity Assessment - General principles and requirements for validation and verification bodies, 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.

The procedures performed in a limited assurance engagement vary in nature and are shorter in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained if a reasonable assurance engagement had been performed.

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.

DISCLAIMERS
The assurance provided by DNV is limited to the selected metrics and information specified in the scope of the engagement. DNV has not conducted an assessment of the reporting organisation's overall adherence to reporting principles or the preparation of the report. Therefore, no conclusions should be drawn regarding the reporting organization's compliance with reporting principles or the quality of the overall report. The assurance provided by DNV is based on the selected indicators and information made available to us at the time of the engagement. DNV assumes no responsibility for any changes or updates made to the indicators or information after the completion of the assurance engagement.

USE AND DISTRIBUTION OF OUR INDEPENDENT LIMITED ASSURANCE REPORT
This report is intended solely for the information and use of the Directors of M&S and is not intended to be and should not be used by anyone other than these specified parties. 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.

For and on behalf of DNV Business Assurance Services UK Limited

London, UK

3 June 2024

Antonella Papapicco

Lead Verifier
DNV Business Assurance Services UK Limited

Holly Wallis-Copley

Technical Reviewer
DNV Business Assurance Services UK Limited

DNV-2024-ASR-C695708

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 multi-disciplinary team consisted of professionals with a combination of environmental and sustainability assurance experience.

INHERENT LIMITATIONS

DNV's assurance engagements are based on the assumption that the data and information provided by M&S to us as part of our review have been provided in good faith, is true, complete, sufficient, and authentic, and is free from material misstatements. Because of the selected nature (sampling) and other inherent limitations of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. The engagement excludes the sustainability management, performance, and reporting practices of the Company's suppliers, contractors, and any third parties mentioned in the Report. We understand that the reported financial data, governance and related information are based on statutory disclosures and Audited Financial Statements, which are subject to a separate independent statutory audit process. We did not review financial disclosures and data as they are not within the scope of our assurance engagement.

DNV SUPPLY CHAIN AND PRODUCT ASSURANCE

DNV Business Assurance Services UK Limited is part of DNV – Supply Chain and Product Assurance, a global provider of certification, verification, assessment and training services, enabling customers and stakeholders to make critical decisions with confidence.

APPENDIX: SELECTED INFORMATION

THE SCOPE AND BOUNDARY OF OUR WORK IS RESTRICTED TO THE SELECTED INFORMATION, LISTED BELOW.

METRICS	REPORTED VALUE	UNIT
Scope 1 & 2 GHG emissions		
Direct emissions from operations (Scope 1)	207	000 tonnes CO2e
Location-based indirect energy emissions from operations (Scope 2)	154	000 tonnes CO2e
Total location-based Scope 1 and 2 emissions	361	000 tonnes CO2e
Market-based indirect energy emissions from operations	233	000 tonnes CO2e
Total market-based Scope 1 and 2 emissions	439	000 tonnes CO2e
Total location-based GHG emissions per 1,000 sq. ft of salesfloor	18.1	tCO2e per 1,000 sq. ft of salesfloor
Total market-based GHG emissions per 1,000 sq. ft of salesfloor	22.1	tCO2e per 1,000 sq. ft of salesfloor
Energy Consumption		
Total energy consumption (M&S Group)	1,458,769	MWh
Fleet		
Fuel	598,557	MWh
Fuel	140	000 tonnes CO2e
Refrigerant leakage	2	000 tonnes CO2e

THE SCOPE AND BOUNDARY OF OUR WORK IS RESTRICTED TO THE SELECTED INFORMATION, LISTED BELOW.

METRICS	REPORTED VALUE	UNIT
UK & ROI Property		
Refrigerant leakage	25	000 tonnes CO2e
Gas	204,397	MWh
Gas	37	000 tonnes CO2e
Heating fuel oils	2,914	MWh
Heating fuel oils	1	000 tonnes CO2e
LPG	163	MWh
LPG	0	000 tonnes CO2e
District heating and cooling	2,830	MWh
District heating and cooling	1	000 tonnes CO2e
Generated electricity (diesel)	92	MWh
Generated electricity (diesel)	0	000 tonnes CO2e
Generated electricity (solar PV)	5,309	MWh
Generated electricity (solar PV)	0	000 tonnes CO2e
Purchased electricity (grid)	533,887	MWh
Purchased electricity (grid)	111	000 tonnes CO2e
Purchased electricity (renewable)	64,650	MWh
Purchased electricity (renewable)	15	000 tonnes CO2e

THE SCOPE AND BOUNDARY OF OUR WORK IS RESTRICTED TO THE SELECTED INFORMATION, LISTED BELOW.

METRICS	REPORTED VALUE	UNIT
Biomass (wood pellets)	113	MWh
Biomass (wood pellets)	0	000 tonnes CO2e
International Property		
Refrigerant leakage	1	000 tonnes CO2e
District heating and cooling	2,057	MWh
District heating and cooling	0	000 tonnes CO2e
Generated electricity (diesel)	103	MWh
Generated electricity (diesel)	0	000 tonnes CO2e
Purchased electricity (grid)	43,695	MWh
Purchased electricity (grid)	28	000 tonnes CO2e
Group		
Group electricity that is renewable	11	% of total global electricity use
UK and ROI store electricity that is renewable	12	% of total UK and ROI store electricity use

THE SCOPE AND BOUNDARY OF OUR WORK IS RESTRICTED TO THE SELECTED INFORMATION, LISTED BELOW.

METRICS	REPORTED VALUE	UNIT
Food Waste		
Total food not sold	20,800	Tonnes
Food waste	10,168	Tonnes
Food surplus	10,632	Tonnes
Food surplus	25.3	Million meal equivalents
Operational Waste		
Total operational waste	69,808	Tonnes
Operational waste to landfill	0	% of total operational waste
Community		
Funds donated by M&S	5.6	£m
Funds raised through customers, colleagues and partners	2.1	£m
Responsible Sourcing		
RSPO Certified Sustainable Palm Oil with Segregated status	98	% of palm oil
Packaging		
Food own-brand primary plastic packaging that is widely recyclable in the UK	91	% of total UK packaging by weight
Clothing & Home own-brand primary plastic packaging that is widely recyclable in the UK	80	% of total UK packaging by weight

M&S