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MARKS AND SPENCER FOOD TECHNICAL TERMS OF TRADE

## MARKS AND SPENCER

# FOOD TECHNICAL TERMS OF TRADE

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## Section 1: Aim of this document

- **Purpose:** To ensure that the technical requirements for supplying Marks and Spencer plc Food Group are clear, and that the accountabilities and responsibilities of Suppliers are fully understood
- **Scope:** All Suppliers, manufacturing and supplying finished products for Marks and Spencer plc sold in Marks and Spencer owned stores, hospitality outlets and stores owned by franchise partners
- **Procedure:** All Suppliers (as defined), should read these Food Technical Terms of Trade (“**Technical TOT**”) to ensure the correct standards for supplying Marks and Spencer are understood at senior management level within the factory, are communicated to all members of staff involved in producing Marks and Spencer products and are at all times complied with by the Supplier. All Suppliers must acknowledge, by return of a signed form, the supplying site’s commitment to be fully compliant with the Marks and Spencer Technical TOT

## Section 2: How to use this document

This document first explains the Terms and Conditions of being a Supplier to Marks and Spencer. Following receipt and review of the Technical TOT all Suppliers must complete the form in **Appendix 1** detailing their site’s commitment to abide by these TOT and with confirmation of either full compliance or as a new supplier giving a detailed action plan with clear timelines detailing how the site is going to become fully compliant. If an action plan is required then the form in **Appendix 2** must be completed and submitted to your Marks and Spencer Technologist and uploaded to Connect. For new suppliers it is expected that a plan be put in place to become fully compliant within a maximum two years following commencing business with Marks and Spencer. As an existing supplier you may in ‘exceptional’ circumstances, apply for an agreed alternative control to the requirements of the relevant Marks and Spencer Code of Practice. You must submit the request to your Marks and Spencer technologist for approval and supply us with the necessary risk assessment as evidence that that your alternative control is an effective process. This risk assessment will be audited against.

The detail of these requirements, with signposts to the relevant documents, which can be found within Marks and Spencer’s Quality Management System known as Connect, and to appropriate approved Marks and Spencer service providers can be found in **Appendix 3**. These should be used by the accountable personnel to ensure compliance to the Terms and Conditions within these Technical TOT. Details of how to access Connect and relevant documents can be found in **Appendix 4**. These Technical TOT should be read alongside the Food Terms of Trade and Logistics Handbook and Rate Card.

All defined terms used in these Technical TOT shall (unless otherwise specified) have the same meaning as set out in the Food Terms of Trade.

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## Section 3: Terms and Conditions

This document sets out the minimum requirements for a supplier to Marks and Spencer in order to deliver our commitment for our customers to deliver products that are safe, legal, high quality and integrity and produced under sound ethical conditions.

Marks and Spencer requires all Goods to be made by Suppliers who are technically competent within their specific product area and who operate well managed, hygienic food factories applying 'Good Manufacturing Practice' (**GMP**), HACCP and due diligence to ensure safety, legality, integrity and consistent quality. A qualified and appropriate technical resource must be available to suit the scope of the production taking place, for example, for microbiologically sensitive or thermally processed products.

### Suppliers to Marks and Spencer must at all times:

- Run their factories well and to agreed standards of GMP and Hygiene
- Notify Marks and Spencer of any issue (production related or not) that you believe may impact the safety, quality or integrity of Marks and Spencer goods its volume and whereabouts. This requirement to notify also applies to issues that could impact the Marks and Spencer brand reputation.
- Implement and maintain a Hazard Analysis Critical Control Point ("**HACCP**") approach to managing food safety for all Marks and Spencer raw materials and Goods
- Implement a Threat Assessment Critical Control Point ("**TACCP**") approach to managing brand integrity for all Marks and Spencer raw materials
- Make the Goods consistently to the agreed Marks and Spencer specification and Quality Contract
- Have board level representation for the governance of all elements of their operation that impact food safety, integrity, legal compliance and compliance to Marks and Spencer brand values and requirements including ethical standards
- Report all aspects of food safety, including ethical standards governance at board level
- Have an appropriate structure of competent Technical, Process Control, Hygiene and Quality Management personnel which reflects the size and complexity of their business
- Have in place Business Continuity plans, an effectively trained Incident Management Team and Incident Management Procedures
- Meet the BSI Security Standard PAS 96 for all manufacturing standards. All visitors to not site (including work placements) must be appropriately security screened.
- All visitors to the site must be subject to an appropriate security and health screening (questionnaire)

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- Adhere to Marks and Spencer Policy Statements, Codes of Practice, Requirements and Guidelines which relate to raw materials, products, processes and factory environment
- Must have a full detailed specification (including HACCP) and an agreed contract between them and the approved co-packer that they choose to use. The specification must detail the chain of custody, all the process steps the product has been subject to prior to receipt at the co-packer and the responsibilities of the co-packer for each product.
- Refer to all the relevant legislation to ensure their legal obligations are met, particularly with regard to document control
- Conform to industry standard Codes of Practice where these are recognised as forming part of Marks and Spencer product requirements and which are referred to in Marks and Spencer Codes of Practice
- Seek written authorisation by the appropriate Marks and Spencer Technologist or Technical Manager for changes to specifications or agreed factory standards
- Agree to be audited on a specified frequency by Marks and Spencer or their approved third parties, to assess compliance against brand values, policy statements, Codes of Practice and Guidelines, and commit to taking the recommended actions agreed as a result of the audit
- Have an effective internal audit monitoring programme in place, reporting and follow up of issues, results and corrective actions
- Commit to continuous improvement on GMP, hygiene, food safety, integrity, quality and labour standards
- Complete the Technical Scorecard as part of the Category Scorecard process, have action plans to improve performance where required and submit when requested a KPI document to the agreed level of detail and frequency. Commit to taking the recommended actions agreed as a result of the Scorecard review. Details of Supplier Performance Management tools are given in **Appendix 5**
- Have effective and verifiable traceability systems, tested from finished product to raw material, both forwards and backwards
- Have effective and appropriate raw material integrity assessment, controls and testing in place
- Retain full records of important information relating to matters of safety, quality and legality of Marks and Spencer Goods. For short life Goods records need to be retained for 12 months from the date the Goods are withdrawn from sale and for long life Goods for 3 years from the date the Goods are withdrawn from sale
- Manage and respond appropriately to customer complaints to prevent reoccurrence
- Maintain up to date specifications and quality contracts, working within the prescribed Foods Stage and Gate Framework to efficiently and effectively deliver NPD

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- Use packaging that has been sourced from a manufacturer annually audited and approved to BRC A or B grade or an equivalent packaging standard as agreed by Marks and Spencer
- All printed packaging must be supplied by a printer that has been approved by M&S or hardware from M&S approved hardware agents
- Ensure that packaging is supplied with a declaration of conformance stating that it complies with all relevant legislation
- Comply with the requirement to use only cleaned returnable trays which are used for distribution (either on site or contract washed before use). Cleaned trays must be appropriately stored prior to use to prevent recontamination
- Ensure labour providers are compliant with GLA standards (in the UK)
- Prior to commencing supply and thereafter on an ongoing basis, have registered on SEDEX, linked to 'M&S Food' completed the SEDEX self assessment questionnaire and, at a frequency set by Marks and Spencer, publish a valid ethical audit (SMETA) which is visible to Marks and Spencer, undertaken by an approved ethical auditor and meets Marks and Spencer requirements.
- Work to ensure every finished product has an agreed "Plan A attribute"
- Work to achieve a minimum of silver on the How We Do Business Scorecard for all sites
- Contribute to an active innovation programme and ensure that intellectual property protection, and where relevant, registration is maintained at all times

**Finished products must at all times:**

- Be safe, stable, legal and fit for purpose
- Have an up-to-date specification, pack copy and agreed Quality Contract (signed by Supplier, Marks and Spencer – product develop, buyer and technologist) and must match the on shelf packaging (both visually and in declaration accuracy)
- Must be traceable from date and time of pack, back to raw material suppliers and further if required by a specific Marks and Spencer Code of Practice or Raw Material Requirement
- Be packaged in packaging which has version control in place for all versions of the packaging
- Use only Free Range Eggs
- Use only Certified Sustainable Palm Oil (by March 2015)
- Use Non-GM ingredients and derivatives, meeting the requirements of the non GM Code of Practice
- Contain no irradiated raw materials or components

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- Contain no added Mono-Sodium Glutamate
- Contain no Artificial Flavours or Colours
- Contain no Marks and Spencer red rated additives (see linked Additive Policy on Connect)
- Contain no Hydrogenated Vegetable Oil
- Contain no Hydrogenated Vegetable Protein
- Contain no Mechanically Recovered Meat
- Contain no ingredients from cloned animals
- Contain no Lupin ingredients and derivatives (with the exception of Flowers and Plants)
- Contain no PVC or PVCd in their packaging
- Actively reduce the use of Pesticides and only use those on Marks and Spencer approved lists (see linked Pesticide Policy on Connect)
- Conform to Marks and Spencer Raw Material Management (A List) requirements relating to raw material sourcing and specifications
- Comply to the appropriate Select Grower “Field to Fork” Standards for Goods containing Produce and Flowers and Plants (See linked field to fork folder on Connect )

Goods must comply with relevant sub-brand criteria; these will be communicated separately to Suppliers at the point of involvement. Examples are:

- Eat Well
- Count on Us
- Balanced for You
- Active Health

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## Section 4: Acknowledgement of Technical Terms of Trade

To demonstrate commitment to these Food Technical Terms of Trade, the form in **Appendix 1** must be completed annually by every supplier/agent or when there is a change of technical leadership at the site. This is to acknowledge the supplying site's commitment to be fully compliant with the Marks and Spencer Technical Terms of Trade. It must be signed by the Managing Director or the most senior equivalent person on site.

For new suppliers, the form must be fully completed and submitted prior to commencement of production.

For ongoing suppliers this form must be submitted on an annual basis, or each time the Senior Leadership of the site changes.

This acknowledgement will be held centrally by Marks and Spencer and shall be used to confirm your site status during Supplier Scorecard reviews and Audits.

Where a site needs to put in place an action plan to become fully compliant with the Technical TOT they should complete the Action Plan in **Appendix 2**. The actions and timescales to become fully compliant must be agreed with your Marks and Spencer Technologist. The action plan must then be submitted, together with the acknowledgment by the authorised signatory on Connect.

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## Appendix 1: Acknowledgement of Technical Terms of Trade

This template must be completed annually by every Supplier/agent. This acknowledges the supplying site's commitment to be fully compliant with the Marks and Spencer Technical Terms of Trade.

For new suppliers, the form must be submitted prior to commencement of production. It must be signed by the Managing Director or most senior equivalent person on site.

For ongoing suppliers this form must be fully completed and submitted on an annual basis, or with any changes of Senior Leadership.

This acknowledgement will be held centrally by Marks and Spencer and shall be used to confirm your site status during Supplier Scorecard reviews and Food Safety Audits.

I .....

**holding the most senior position on the Supplier site**

**named**.....

**at the address**

.....

.....

.....

**Duly acknowledge the content and meaning of the Marks and Spencer Food Technical Terms of Trade and commit to ensuring the full compliance of my site against these standards**

**Name**.....

**Position Held**.....

**Signed**.....

**Date**.....

This form is available to download and complete on Connect (see linked terms of trade acknowledgement form) this must be attached on Connect via the Terms of Trade sign off form.

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## Appendix 2: Technical Terms of Trade Action Plan

As a new supplier to M&S, the below template must be completed and agreed with your Marks and Spencer Technologist to agree the action plan and timescales to become fully compliant to the Marks and Spencer Technical Terms of Trade.

**Supplier:**

**Date Submitted:**

| <b>Marks and Spencer Food Technical Terms of Trade Section</b> | <b>Gap that exists between current and compliance</b> | <b>Actions required – and who owns this action</b> | <b>Date actions will be completed</b> |
|--|---|--|---------------------------------------|
| Terms and Conditions   |   |  |                                       |
| <b>In Touch:</b> People and Relationships                      |   |  |                                       |
| <b>Integrity:</b> Safety                                       |   |  |                                       |
| <b>Integrity:</b> Quality                                      |   |  |                                       |
| <b>Integrity:</b> Reputation                                   |   |  |                                       |
| <b>Innovation:</b> Product Development and Innovation          |   |  |                                       |

This form is available to download and complete on Connect (see linked terms of trade action plan) this must be attached submitted to your Marks and Spencer Technologist and uploaded to Connect via within the TOT form.

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## Appendix 3: Detailed Requirements

The following detail gives further information on the requirements with clear signposts to enable compliance with the Marks and Spencer Technical TOT. It is structured under the following headings:

- **In touch:** People and Marks and Spencer/Supplier Relationships
- **Integrity:** Safety; Quality; Reputation
- **Innovation:** product development and innovation

### In Touch: People and Marks and Spencer/Supplier Relationships

#### Management Structure

Each supplying site must have a management structure capable of ensuring effective compliance with all legal obligations and relevant Marks and Spencer requirements; this must include an appropriate number of competent Technical and Hygiene and Quality management personnel which reflects the scale and complexity of their business and any specific expertise as appropriate.

#### Site security

It is a requirement that all sites manufacturing for Marks and Spencer meet the BSI Security Standard PAS 96. In addition we require all visitors to site (including work placements) to be appropriately security screened.

#### People

It is critical that each site has a mechanism in place to allow all food handlers to observe good standards of personal hygiene at all times and report, without prejudice, any illness or close personal contact with anyone who has had food poisoning symptoms, to their line manager.

In addition they must be able to prove their legal entitlement to work in the UK.

Appropriate records detailing in which areas personnel have been working must be retained for investigative purposes if required and provide a Health Questionnaire for visitors (see linked Hygiene – People on Connect).

#### Training

Suppliers should demonstrate a progressive attitude to employee training. Training should be commensurate with the type of activities undertaken and must meet the requirements of relevant legislation and satisfy the conditions of relevant Marks and Spencer Codes of Practice and Guidelines. It is the supplier's responsibility to keep accurate and effective records of training.

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Marks and Spencer requires Supplier representatives to attend the relevant Marks and Spencer Hygiene Courses and other specific courses relevant to the industry and Marks and Spencer standards. Suppliers must attend training or briefing events that are offered by Marks and Spencer, such as a Food Technical Supplier Briefing.

New Technical Managers to the business or site should ensure they understand the Marks and Spencer standards and ways of working.

### Management Information

Suppliers should operate effective Management Information systems which allow objective measurement and tracking of Key Performance Indicators (KPIs), rapid and clear identification of trends, enabling appropriate corrective action to be taken as quickly as possible. KPIs are to be submitted to the relevant Marks and Spencer Technologist on a monthly basis, unless agreed in writing with the Marks and Spencer Technologist or Technical Manager.

Suppliers should submit technical information as part of the Supplier Scorecard assessment at the agreed frequency set by Marks and Spencer. The Scorecard will determine Provisional, Bronze, Silver or Gold Technical status. It is acceptable for a Supplier to start at Provisional or bronze providing a robust and agreed action plan is in place. An ongoing Supplier is expected to progress to a Silver status as a minimum. Further detail on Technical Scorecard Ratings can be found on Connect.

### Site Visits

Marks and Spencer Technical, Commercial and Product Development personnel will make visits to Suppliers as part of the management of the category and product ranges and to ensure that Suppliers continue to meet the required standards.

### Business Continuity, Incident Management and Communication

Suppliers must have in place Business Continuity plans, an effectively trained Incident Management Team and Incident Management Procedures. Suppliers have a responsibility to highlight any issues concerning food safety, quality or integrity to Marks and Spencer as soon as possible. For the avoidance of doubt, issues at a Supplier not directly affecting Marks and Spencer Goods **must** still be notified to Marks and Spencer, due to the potential media risks arising by association.

**Members of the Marks and Spencer Food Technical Team can be contacted out of hours via the RDM number (01342 870900) and reciprocally Suppliers should ensure that Marks and Spencer have an up-to-date set of out of hours contacts for your business held on your Connect Organisation profile.**

It is a requirement that no information relating to Marks and Spencer or Marks and Spencer Goods, either written procedures, test results, or verbal briefing, is disclosed to **any third party** (e.g. media, NGO, governmental or enforcement agency) without the prior written agreement of Marks and Spencer.

From time to time it may be necessary for you to test your plans; for all test communication to Marks and Spencer you must include verbally or in writing the phrase “exercise exercise” to avoid accidental escalation (see Business Continuity folder on Connect).

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## Integrity: Safety

### HACCP

All manufacturers for Marks and Spencer Food Group must meet the requirements of Codex Alimentarius, Campden Guidelines Document 42 and the Marks and Spencer HACCP Code of Practice (see linked HACCP on Connect).

### Food Safety and Integrity Audits

New Suppliers will receive an initial audit at the expense of Marks and Spencer. Follow-up and subsequent audits will be charged to the Supplier in accordance with the details in the rate card.

Existing Marks and Spencer Suppliers will be audited at a frequency determined by risk assessment, for Food Safety and for Integrity. The length of the audit and frequency will vary depending on the size, scale and complexity of the Goods supplied by the site. The protocol that the 3<sup>rd</sup> party audit provider will follow is published on Connect. All audits are scheduled by the 3<sup>rd</sup> party audit provider. Dates of Food Safety audits will be published 6 weeks prior to the audit date. Once the date has been determined, it is non-negotiable and should not be changed. In the event of any cancellations will be charged at full cost and we will then reserve the right to conduct the next audit unannounced. Integrity audits will be unannounced. If for any reason we are required to reschedule another audit at short notice due to a supplier issue, we will require the supplier to cover any costs of pre-paid travel.

The appropriate audit for the site and frequency will be determined by the Marks and Spencer Technologist. The supplier will be responsible for audit preparation, facilitation and following up actions in accordance with the relevant protocols. Suppliers must record any blackout dates on the Connect system. All dates must be posted a minimum of 8 weeks in advance. The only permissible reasons for blackout dates are another accredited audit or factory closure. Marks and Spencer reserve the right to audit on a black out day, where there are compelling reasons for doing so.

Non-compliance to Essential Requirements as outlined in our Codes of Practice or poor standards will determine the score achieved by the supplying site.

Audit findings and corrective actions are stored on Connect. The supplier must sign off all audit actions on Connect within the agreed timescales.

### Agent Audit

Agent audits will take place to ensure that their management of and compliance to Marks and Spencer requirements is evident for their relevant supplying sites and that they have appropriate technical expertise to ensure Marks and Spencer standards are achieved at all their sites. Agents will be audited to a defined protocol that covers their responsibilities with regard to the application of the Marks and Spencer standard, policies and Codes of Practice at the sites they source Marks and Spencer finished Goods from (see Connect).

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### Audit and Persistent Issues

Non-compliance to Codes of Practice or poor standards will determine the score achieved by the supplying site. Any site scoring Red or Critical for non-compliance will be re-audited within 3 months at the Supplier's cost. Additionally, these sites may be moved to a more frequent audit cycle until stability is demonstrated.

Marks and Spencer reserves the right to use both unannounced audits and/or position either Marks and Spencer Technologists or third parties at the site to support resolving persistent issues, for example ongoing foreign body or quality issues. This will be at the Supplier's cost as detailed in the Rate Card.

We reserve the right if there are critical findings on any food safety, integrity or ethical audit in addition to any evidence on the day of contamination a critical will be raised and we reserve the right to enforce any of the following consequences:

- Stop production
- Remove product form the counter
- Enforce a raw material change
- Move products temporarily
- Halt NPD

### Farming for the Future – Protein and Select Grower “Field to Fork” Audits

In addition to the above, and where relevant in agreement with Marks and Spencer, a Supplier will receive a 'Protein' audit, or be required to deliver a Select Grower “Field to Fork” Produce audit. These audits focus on the specific requirements facing Suppliers of protein or produce into Marks and Spencer (for example standards of animal welfare, slaughter hygiene, pesticide usage, packhouse standards). Where requested by Marks and Spencer, Suppliers will provide details of supplying farms and intermediary processing points in the electronic file format. Marks and Spencer will keep this information confidential to ensure the integrity of the Supplier's supply chain but may use this information for audit and internal purposes, and for communications with the Supplier.

These audits may also apply to others in the supply chain e.g. intermediate suppliers of raw materials; where relevant this will be confirmed by the Marks and Spencer Technologist (for production standards visit Connect field to fork folder).

### Packaging and Coding Verification

Where deemed a requirement by standardised risk assessment an automated packaging coding and verification system must be employed.

Where deemed appropriate by risk assessment the 20 point manual plan may be employed as an alternative. Either system must satisfy the requirements of the Code of Practice.

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As a contingency for equipment failure, suppliers must at all times be able to demonstrate effective use of the 20 point manual plan, and must be tested to ensure capability and compliance. (see linked Code of Practice for the Control and verification of packaging, labelling and coding of Marks and Spencer's Products on Connect).

### Allergen Management

All suppliers must comply with the Code of Practice for Allergen Management. Where relevant, suppliers must also comply with Code of Practice for the management of Gluten Free Foods and the Nut and Sesame Code of Practice (see linked Allergen Codes of Practice A & B on Connect).

### Brand Integrity Compositional Claims

All products that carry a brand integrity claim, such as vegetarian or source of vitamin D, must be manufactured according to the requirements set out in the Integrity Code of Practice (see linked Integrity of Marks and Spencer Foods on Connect)

### Packaging

All suppliers are required to ensure that packaging used in both the finished product and for any product contact packaging (e.g. coloured and correct specification ingredient bags) has been sourced from a manufacturer audited and approved to the BRC or an equivalent GFSI (Global Food Safety Initiative) benchmarked standard. It is also a requirement that all packaging suppliers used have a HACCP system, foreign body control, pest control, a hygiene policy and material traceability in place.

Packaging should at all times avoid the transfer of particles from the packaging to the product in levels that could be harmful to human health or bring about an adverse change in the product.

Suppliers should use the optimum level of packaging to ensure that the Goods are protected in the Supply Chain and remains as fresh as possible for the duration of its shelf life but avoid being over -packaged. Suppliers should also ensure that finished product packaging is tamper evident (i.e. it enables the customer to easily identify before they consume the product whether or not the product has been opened since it left the manufacturer).

If using paper and board in the packaging then it should be from FSC (Forestry Stewardship Council) approved sources

In addition to this, suppliers should use resource efficient packaging that is recyclable or made from a renewable resource wherever possible and avoiding the use of polystyrene. The relevant policies, Codes of Practice and Guidelines must be followed. (see Packaging folder on Connect).

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## Laboratories

Where required to carry out testing, the Supplier is responsible for using laboratories that are accredited for the testing required. For nutritional analysis Suppliers should refer to the Marks and Spencer (insert name). For Microbiological testing, Suppliers should refer to the Marks and Spencer Requirements for Microbiology testing: Laboratory Accreditation and approval. Any additional testing proposed by the Supplier must be agreed in advance in writing with Marks and Spencer (see Testing & Approval folder on Connect).

## Tray Washing

It is a requirement of Marks and Spencer that all suppliers using returnable plastic trays for the distribution of Marks and Spencer finished Goods, use trays which have been cleaned and meet Marks and Spencer specification for hygiene.

To meet this standard, trays may be cleaned on site by Suppliers, or via a third party service provider (see Organisation & Management of Cleaning COP on Connect)

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## Integrity: Quality

### Quality Management

Product quality is paramount as part of our customer proposition and therefore Marks and Spencer expects that product quality must be effectively managed by the Supplier in compliance with the Marks and Spencer Management of Food Quality Code of Practice and Guidelines documents (management attended taste panels, etc). (see Quality folder on Connect)

### Product Specifications and Product and Packaging Development Processes

Specifications will be compiled as part of the Marks and Spencer Foods Stage and Gate Framework product development process and will be agreed prior to the commencement of production. The Supplier is responsible for the management of this information with the Marks and Spencer Technologist and Labelling Service Provider (LSP). All information must be shared via the web based specification system. Each specification must contain validated photographic standards and Quality Contract including quality attribute sheets. Marks and Spencer requires that the Supplier will follow the prescribed stage gate process in detail to generate 'right first time' pack copy and artwork.

The Supplier must inform and agree with their Marks and Spencer Technologist of any changes required prior to making the changes to the specification.

### Nutritional Benchmarking

Suppliers must submit Nutritional Benchmarking information for relevant products as outlined in Nutrition Benchmarking Guidance and Annual Rota (see Nutritional Benchmarking folder on Connect).

### Production Transfer

From time to time it may become necessary for a Supplier to move Marks and Spencer finished Goods from one production site to another. In this instance, it is a requirement of Marks and Spencer that adequate project management resources are employed by the Supplier to ensure that the movement of the Goods takes place efficiently, and delivers the agreed quality standards. In addition all audit/compliance costs will be met by the Supplier.

### Product withdrawal

Marks and Spencer's priority is to protect the customer and its brand. It is a requirement that suppliers notify Marks and Spencer immediately of any out of specification product, its volume and whereabouts.

**Note:** Early notification will ensure the most effective outcome.

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Marks and Spencer has the following mechanisms to take action on out of specification Goods:

| <b>Mechanism</b>   | <b>Definition</b>   |
|--|---|
| <b>Picking Lock</b><br><br><b>No charge for this action</b>              | This is a system, initiated via the Marks and Spencer Technologist and Marks and Spencer food logistics, where a stop is placed on the order picking system at depot. This prevents product moving into store (minimising cost to you and Marks and Spencer) <b>though it can only be used to isolate stock that has not yet arrived at depot</b> |
| <b>Product RTM</b><br><br><b>Chargeable action – see rate card</b>       | This is a system initiated via the Marks and Spencer Technologist that will remove from display and destroy the out of specification product. This is for products out of specification that will not harm the customer e.g. over baked biscuits  |
| <b>Product Red Alert</b><br><br><b>Chargeable action – see rate card</b> | This is a system initiated via the Marks and Spencer Technologist, and signed off by the Technical Manager/Head of Technology to remove from display and destroy product that can harm the customer, the brand or both e.g. incorrect allergen declaration. This procedure carries a significant financial compensation                           |
| <b>Public Recall</b><br><br><b>Chargeable action – see rate card</b>     | A system which builds on the Red Alert – this process additionally includes in-store, online and newspaper communications, and attracts additional charges  |

*The associated costs are explained in the rate card*

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## Integrity: Reputation and Trust

### Customer Complaints

When received by Marks and Spencer Retail Customer Services details of complaints will be forwarded to the Supplier. The Supplier must manage and respond to this information according to the requirements of the Code of Practice referenced below (see linked Hygiene COP – Foreign Matter Prevention – Customer Complaints).

### Raw Materials

Suppliers have responsibility for the procurement and management of all raw materials including packaging in accordance with current legislation and relevant Marks and Spencer requirements. Depending on risk assessment and the specific activities undertaken these will include, but may not be limited to, vendor management plans, raw material specifications, the use of controlled raw materials and the exclusion of prohibited ingredients in accordance with the Marks and Spencer brand values, as well as raw material inspection and traceability.

It is the Supplier's responsibility to ensure that they have appropriate supply chain knowledge and an Independent Product Testing Programme for raw materials to verify compliance to relevant standards. Raw materials and their provenance will be agreed with Marks and Spencer, and recorded in the Product Specification.

Changes can only be completed in agreement with the Marks and Spencer Technologist (see linked Raw Materials Policy and Raw Materials Code of Practice).

### Farming for the Future – Animal Welfare

Marks and Spencer has its own livestock production Codes of Practice which must be adopted by all Suppliers and their supplying farms. These standards have been written to ensure that fresh protein meets the Marks and Spencer quality and safety standards and brand values, which in general are higher than National Farm Assurance Scheme standards. Marks and Spencer expect all fresh protein to be produced safely and ethically, both in terms of microbiological safety and animal welfare, produced by workers that are treated fairly on farms that have minimal environmental impact.

Suppliers shall at all times ensure that all animals used in the production of our foods are:

- Looked after at all points in the production system
- Housed appropriately
- Maintained in optimum health
- Fed an appropriate, safe, nutritious diet
- Cared for by trained and competent stock keepers
- Slaughtered with care and with consideration for their welfare

With specific regard to animal welfare, it is the aim of Marks and Spencer to ensure the welfare of all animals is protected by working with farmers who share its attitude and approach to

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animal welfare and who adopt the recommendations of the Farm Animal Welfare Council (FAWC). Marks and Spencer also wishes to ensure that farming systems meet as many of the FAWC Five Freedoms as possible.

### Farming for the Future – Crop Management and the Select Grower “field to Fork” Standard

This standard has been written to ensure that fresh produce meets our food safety standards, as well as Marks and Spencer brand values. Marks and Spencer expect safe produce, both in terms of microbiological safety and pesticide safety, produced by workers that are treated fairly on farms that have a sustainable environmental impact.

‘The select grower standard’ has been written to communicate and check compliance to the standards required by Marks and Spencer over and above industry standards. Therefore producers are also expected to be working within existing assurance schemes such as GLOBAL-GAP and Assured Produce and LEAF.

The Select Grower standard applies to both whole (basic) and prepared fruit, frozen, salads, dried fruit, nuts and vegetables sold either in the produce department or used elsewhere in the business as an ingredient that has not had a validated heat process applied during production, as well as flowers and plants. The level of audit required is determined by risk assessment and must be agreed with the Marks and Spencer Technologist (see field to fork folder on Connect).

### Farming for the Future – Pesticide Testing Controls

It is Marks and Spencer policy to minimise detectable pesticide residues in the production of all Marks and Spencer food Goods. It is the Supplier’s responsibility to conduct regular pesticide checks on all raw material sources. Suppliers are required to submit to SAL all pesticide testing data relevant to Marks and Spencer Goods.

- *Results to be submitted to Naresh Patel at SAL, [npatel@salltd.co.uk](mailto:npatel@salltd.co.uk)*

### Non GM status

Ensure that Marks and Spencer can continue to maintain the brand value of using only non-GM ingredients and derivatives and therefore offering the customer a non-GM finished product (see Non GM folder for Code of Practice requirements).

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## Disposal of Surplus Stock

The 'Company Shop' is the preferred outlet for the handling of surplus Marks and Spencer labelled foods. They are equipped and approved to handle all Marks and Spencer surplus merchandise, direct from the manufacturing factory. They have an agreed specification and operation with Marks and Spencer for the handling of such product that includes:

- Product in Marks and Spencer packaging will be disclaimed by over labelling with Company Shop label and ink jet coding the words "staff sales" on the packaging
- Product supplied to Company Shop by Marks and Spencer Suppliers will only be sold by The Company Shop to factory employees in staff shops approved by Marks and Spencer. No product will be offered to the general market
- Staff shops supplied by Company shop and approved by Marks and Spencer will not be open to the public and will, as appropriate, ration the quantities purchased by individual employees to minimise the risk of "selling on"

Suppliers may wish to open staff shops in association with the Company Shop, which will sell surplus disclaimed Marks and Spencer food in its original packaging to factory employees at discounted prices. In addition they will sell other products and brands handled by The Company Shop under similar contracts (e.g. Heinz, Cadbury, Elida Gibbs).

Surplus Goods can be disposed of by other routes, but only with the specific written agreement of the Marks and Spencer Technologist. The same conditions and standards must apply to other outlets as to the Company Shop.

## Plan A

All Suppliers are required to be committed to the Marks and Spencer Sustainability Plan A Programme. This includes registering on the Supplier Exchange, completing where relevant the "How we do business" scorecard and working to ensure that each finished product has a Plan A attribute (visit the Supplier Exchange website <https://supplierexchange.marksandspencer.com/user>).

## Ethical Trading

Suppliers must comply with the Marks and Spencer Global Sourcing Principles, and source labour responsibly. Marks and Spencer expects all suppliers to be registered on SEDEX, linked to 'M&S Food' on the SEDEX system and to have completed in full the Sedex Self-Assessment Questionnaire (SAQ). Suppliers must publish on SEDEX a valid SMETA ethical audit for each supplying site, at a frequency determined by Marks and Spencer and communicated to the supplier separately. The audit must be booked by the Supplier with a Marks and Spencer approved ethical auditing body. The Supplier must name Marks and Spencer as a customer when booking the audit and must inform Marks and Spencer of the audit date window, more than 30 days before audit window opens. All audits must be "semi-announced", meaning that the Supplier must not be given specific notice beyond the fact that they will take place within the audit window. Marks and Spencer reserves the right to reject the findings / validity of an ethical audit and request a re-audit if it does not meet these criteria.

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Where a Supplier’s site is approaching the due date for a new ethical audit, it must ensure that a new audit is booked before the previous audit becomes overdue, and must inform Marks and Spencer of this booked audit date window. If a Supplier fails to inform Marks and Spencer of a new booked audit date within 30 days of a new audit becoming due, Marks and Spencer reserves the right to, (with appropriate notification), book the audit on behalf of the Supplier and recharge the cost to the Supplier. If your site has less than 30 workers including agency workers) at peak, an alternative control to ethical audit applies which will be communicated to you. The process for applying for an alternative control is as set out in paragraph of Section 2: How to use this document

Additional requirements may exist for suppliers of specific categories of product e.g. Fairtrade and Suppliers should confirm all applicable requirements with their Marks and Spencer Food Technologist.

Up to date SMETA and BOPP must be in place wherever final pack labels for flowers and plants are applied (see Ethical Trading folder on Connect).

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## Innovation

### New Product Development

At Marks and Spencer we follow a Foods Stage and Gate new product and packaging development process. Suppliers are expected to comply with the steps and RACI defined within the portal to ensure efficient and effective NPD and packaging delivery (see Stage & Gate folder on Connect)

This requires that the Labelling Service Provider (LSP) supports the creation, then legal validation of all Marks and Spencer product specifications and later the legal validation of the product artwork.

Products are ranked by complexity, and charged accordingly.

The charges linked to the activities undertaken as part of the new product development process at Marks and Spencer are detailed in Packaging and Artwork Rate Card which can be found in the Food Terms of Trade.

### Product Quality Benchmarking

From time to time Marks and Spencer will propose “upgrades” and reformulations of Goods as part of our continuous improvement of product quality. In order to ensure the decisions we make are the right ones, we use consumer acceptance panel testing with 50-100 consumers, recruited to specific criteria for the product group. We will also, from time to time, request products to be formally benchmarked by an independent panel at Campden (CBRI). The associated costs and quality monitoring of this part of the development process will be borne by the Supplier.

## Innovation

Through partnership with Suppliers, Marks and Spencer has enjoyed a long history of innovation. It is expected that Suppliers will contribute to an active innovation program providing a pipeline for future growth. We encourage working confidentially to the mutual benefit of Marks and Spencer and the contributing Suppliers, and ensure at all times “Intellectual Property” such as design, trademarks, brands and new ideas are protected.

For the avoidance of doubt unique ideas or innovation generated as a result of discussions between Marks and Spencer and the Supplier remains the property of Marks and Spencer. We would expect exclusivity agreements for an agreed period of time on ideas or innovations that a supplier brings to Marks and Spencer before they can exploit it elsewhere. This is mutually beneficial to us for growing our businesses together.

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## Appendix 4: Marks and Spencer Quality Management System Access

The Marks and Spencer Quality Management & Library System, known as Connect, can be located via the following link: [www.marksandspencerconnect.com](http://www.marksandspencerconnect.com)

If you have lost your login details you can reset these via the homepage link above.

If you have any questions regarding Connect, please email the Food Technical centre.

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## Appendix 5: Supplier Performance Management

Performance of a supplier site will be measured in the following ways

| Measure   | Frequency  | Definition   |
|---|--|--|
| Site KPIs   | Monthly or Quarterly<br>(agreed with the Marks and Spencer Technologist)                               | A pre-determined set of measures which include customer complaints, RTMs, testing results, EHO visits, and internal audit summaries.   |
| Marks and Spencer Independent Product Testing   | Quarterly or Annually<br>(as a minimum)  | Shop-bought sampling of finished product for Pesticide, Microbiology, Nutrition, heavy metals etc – determined by risk assessment  |
| Supplier Scorecard<br>(where relevant and agreed with the Marks and Spencer Technologist) | As defined by Marks and Spencer's Supplier Relationship Management Procedures                          | Self-assessment and confirmed in a face to face action planning meeting with M&S; part of continuous improvement and 'How we do Business'  |
| Audit   | Between every 9 months up to once every 2 years<br>(as a minimum)                                      | Objective measure against published protocols by a Marks and Spencer approved third party. Results are published within Marks and Spencer and business partners to Marks and Spencer, where contractually required |
| Ethical Audit (SMETA)   | Prior to commencement of supply and then frequency based on risk assessment; annual/2 years or 4 years | Objective measure against published protocols by a third party. Results are on SEDEX for all retail and brand partners for your site for view.   |

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## Appendix 6: Glossary

- **Labelling Service Provider (Ashbury Labelling)** – Marks and Spencer approved third party service provider of labelling and artwork validation services
- **Brand** – a known business or range of products e.g. Marks and Spencer
- **BOPP** – British Ornamental Plant Producers Association
- **Codex Alimentarius** – Global Standards body
- **Company Shop** – a third party providing the secure disposal by sale of products (through agreed defacement of packaging and controlled sales)
- **Food handlers** – anyone involved in food production in direct contact with food products
- **Food Logistics** – the Marks and Spencer team responsible for food distribution
- **Food Safety Consortium** – Marks and Spencer approved third party service provider for all Food Safety Audits, including Training and Consultancy services
- **Food Safety and Hygiene Audit** - audit focused only on the Food Safety Hygiene aspects of the manufacturing process
- **Food Safety and Process Control Audit** – audit focused only on the Food Safety and Process Control aspects of the manufacturing process
- **GMP** – Good Manufacturing Practice
- **Governance** – the process of establishing standards, recording deviations, and sustainable reaction to those deviations
- **IPT** – Independent Product Testing, samples are obtained and tested by a third party and reported to Marks and Spencer
- **Intellectual property** – defined in the Food Terms of Trade
- **Legal Validation** – the process by which specifications are checked for legal compliance, then pack copy is checked for the same in the artwork process
- **M and S Director of Technology** – accountable for all Food Technology at Marks and Spencer
- **M and S Head of Technology** – line manages the technology team in of one of the three Trading Areas – ambient; fresh; convenience
- **M and S Trading Area Technical Manager/Category Technical Manager**– line manages a team of Technologists or a Technical function
- **M and S Food Technologist/Senior Technologist** – food professional who will be your representative within Marks and Spencer
- **M and S Agriculture Technologist** – food professional responsible within Agriculture (Protein)
- **M and S Aquaculture and Fisheries Technologist** – food professional responsible within Aquaculture (Fish)
- **M and S Head of Agriculture and Fisheries** – line manages a team of agriculture and aquaculture technologists with responsibility for agriculture and fisheries programme delivery
- **M and S Agronomist** – food professional responsible for the varietal selection in Produce
- **NPD** – New Product Development

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- **Plan A** – the programme of work started in 2007 that ensures Marks and Spencer ‘does the right thing’, minimising the impact Marks and Spencer has on the environment, whilst increasing positive and progressive changes in the way we do business
- **Plan A attribute** – a feature of a finished product that refers to how the product has a positive impact on the environment
- **Picking Lock** – a UPC driven stop of product before picked for store delivery; this is free and an effective way of preventing RTMs
- **Quality Management System (QMS)** – the system of Policies, Guidelines and Codes of Practice that when followed, mitigate risks to Marks and Spencer, satisfy UK legislation and deliver quality product
- **RTM** – return to manufacturer (though in practice product is destroyed) a chargeable action removing products from display in the event of non-compliance or out of specification, can be for one date code
- **Red Alert** – as above, a chargeable action reserved for serious risks to brand or customer as defined by Marks and Spencer, all date codes are removed
- **Rate Card** – the document outlining all Supplier charges
- **RDM** – Remote Data Monitoring; out of hours contact for out of specification, non-compliance and business continuity events
- **Retail Customer Services (RCS)** – the division of Marks and Spencer that processes all customer complaints and the data for trend analysis
- **Stage Gate Process** – the prescribed process followed to deliver new products and packaging
- **Sub-Brand** – a range or single product e.g. “Count on Us”
- **Supplier** – finished product manufacturer or agent overseeing the supply of finished product
- **SMETA** – Sedex Member Ethical Trade Audit
- **TACCP** - Threat Assessment Critical Control Point

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