

M&S

EST. 1884

MODERN  
MODERN  
SLAVERY

STATEMENT

*2021/22*

INTRODUCTION

# MODERN SLAVERY STATEMENT

This is M&S’s seventh Modern Slavery Statement issued in accordance with the Modern Slavery Act 2015. It sets out the steps we have taken (and continue to take) as a business during year ending 2 April 2022 to prevent slavery and human trafficking in our own operations and supply chains.

Globally this has been another challenging year, with rising social inequality and widespread labour shortages, as well as crises in Afghanistan and Ukraine that saw the significant movement of refugees fleeing their homes. We recognise that modern slavery is a growing global issue, and crises such as these increase the risks of human trafficking and forced, bonded and child labour.

We understand the responsibility to prevent, mitigate and remediate as understood and carried out in accordance with the responsibility to respect human rights under the United Nations Guiding Principles on Business and Human Rights (UNGPs).

As was the case last year, we have scored ourselves against the [IASC maturity framework](#), with its four clearly defined stages. We believe we remain in the “Evolving Good Practice” category, with some activity in “Leading on Human Rights Innovation”.

**PROGRESS**

This year we have made progress in strengthening our approach, including:

- delivering human rights and modern slavery training to all our support centre colleagues;
- developing and further rolling out worker voice technology across our Clothing and Home (C&H) and Food supply chains;
- updating our Global Sourcing Principles and accompanying Supplier Partner Guidelines and launching the new Food Human Rights Standard and programme;
- increasing visibility of our programmes and metrics to the Board’s ESG Committee.

We are committed to continuous improvement, and this year we have sought additional specialist guidance to review our approach across the Group plc. We are currently at the formative stage of implementing some of the recommendations made to us, and we look forward to developing our maturity further with this expert guidance over the coming year.

Our commitment to our customers and stakeholders is very clear; we will always treat people in our business and supply chain fairly.

As I hand on the baton to a new M&S leadership team, I know they will not waiver in this commitment and will build on the progress we have made this year. Doing the right thing by the people who work with and for M&S is part of our DNA, and at the core of the trusted value our customers expect from us – now more than ever.

Despite the progress we have made, I am clear this is the moment to tackle this issue. To deliver sustainable solutions, none of us can do this on our own. As an industry we have a lot of wonderful community programmes, but they don’t have real impact if we’re each doing something one at a time. If we all spend money tackling these issues individually, it isn’t a good economic solution either. Leaning in together and working collectively is how we’ll make a real difference.



**Steve Rowe, Chief Executive Officer**  
Marks and Spencer Group plc

This Statement has been approved by the Board of Directors.

## OUR BUSINESS AND SUPPLY CHAINS

### OUR STRUCTURE

M&S is a leading British retailer, operating as a family of businesses, selling own-brand products and services, alongside a carefully selected range of third party brands.

We do this through a network of 1,487 stores and over 100 websites globally. Across our stores, support centres, warehouses and supply chain, our 65,000 colleagues serve over 30 million customers each year.



### M&S OWN-LABEL PRODUCT

We predominantly sell own-brand products, manufactured and marketed exclusively under the M&S brand. Our relationships with our supplier partners are built on trust with shared aims. We have three primary groups of suppliers:

**1 FOOD**

Food is sourced directly from suppliers covering

**948** factories across 55 countries.

**80%** of these direct food suppliers are based in the UK.

**2 CLOTHING AND HOME ("C&H")**

Finished product is sourced directly from

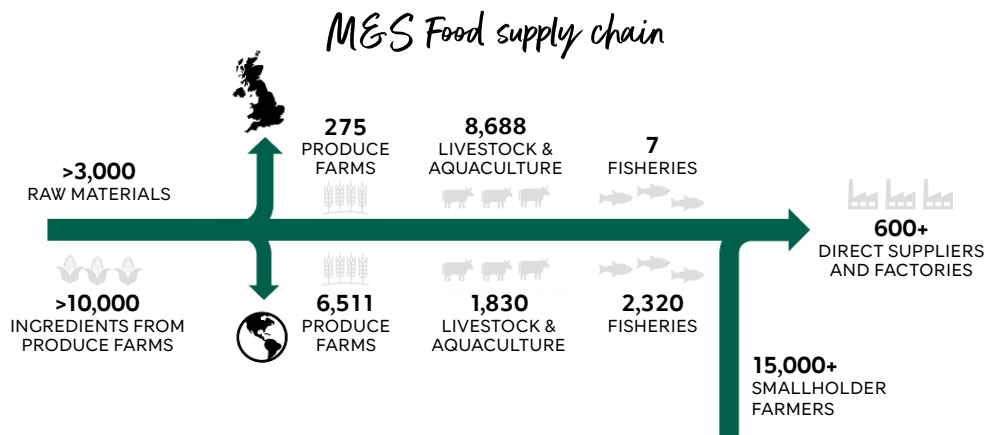
**705** factories across 32 countries at Tier 1.

**3 GOODS NOT FOR RESALE ("GNFR")**

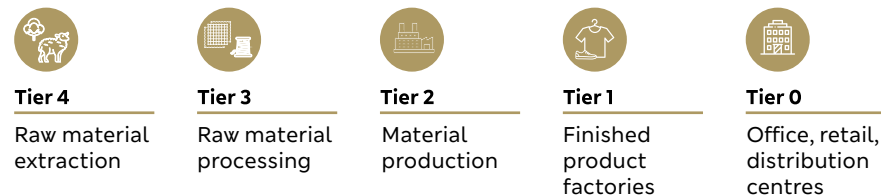
**1,800** GNFR suppliers.

**95%** of the money we spend on GNFR is with the top 250 GNFR suppliers.

GNFR includes those products and services we buy to run our business – such as professional services, store equipment, design services and stationery. GNFR covers Logistics Operations, Marketing, Technology, HR, Property, Facilities Management and Packaging.



### M&S Clothing & Home supplier tiers



Reporting transparently on our own-label supply chain practices and operations is core to our approach to sourcing. We publish data within the M&S Interactive Supply Chain Map, disclosing our Tier 1 supply chain across Food and C&H. This scope also includes some raw materials, including wool, man-made cellulosic fibres, beef, fish & seafood, dairy, tea and coffee, and is updated on a six-monthly basis.

[Access our Interactive Supply Chain Map here](#)

## OUR BUSINESS AND SUPPLY CHAINS CONTINUED

### WORKING IN PARTNERSHIP

We work with trusted partners to extend the M&S brand to new product areas and to markets around the world.



UK Franchise Partners	Working with our franchise partners, we ensure that our Simply Food stores are in the most convenient locations, from railway stations to motorway services.
International Franchise Partners	M&S exports the best of M&S Food and C&H products around the world in selected target markets. Customers purchase our products through a network of mainly partner-led businesses or through online-only channels.
Ocado	M&S holds a 50% investment in Ocado Retail, a relationship between M&S and Ocado Group plc. Since September 2020, the M&S Food range and selected C&H products have been available for customers shopping on the Ocado platform. Ocado Retail reports separately through its own channels.
Services	Through M&S Bank (operated by HSBC), we provide a range of financial services, with a focus on credit card and payment solutions. M&S Energy is a competitive fully renewable energy source provider (operated by Octopus). Due to the nature of their businesses, they report separately through our partners.

### THIRD-PARTY BRANDS

In March 2021, we formally launched “Brands at M&S”, a range of complementary and curated guest brands, on M&S.com and in selected stores. To date, we have launched 40 partner brands under owned, wholesale, consignment or collaboration models.



### OUR GOVERNANCE

**Overall accountability for the Modern Slavery Statement and risk assessment process is held by the Executive Committee “ExCo”, chaired by the CEO, Steve Rowe. The report is also reviewed by the ESG Committee for content, the Audit Committee for internal controls, and ultimately approved by the Board. Our Board’s ESG Committee was formed in December 2020 and met six times in 2021/22 to cover a range of themes, including modern slavery and human rights within our own operations and supply chain.**

Our annual modern slavery risk assessment is aligned across the M&S Group, including the business functions of Food, C&H, Retail & Property, International, and the support functions: Finance and Procurement, Digital & Data, and HR. The director of each business area and support function is accountable for their risk assessment and due diligence approval. To further enhance our alignment across our family of accountable businesses, this year we formed an internal modern slavery working group, which is chaired by our General Counsel, and which includes representatives from each of the accountable businesses and support functions. The working group meets quarterly to ensure business-wide alignment, monitor progress against our modern slavery commitments and identify any emerging risks.

To provide the ESG Committee with improved visibility and further opportunity to challenge, we have created an internal ESG report (“ESGR”). The ESGR:

- includes metrics which track performance against our GNFR compliance programme and social programmes in Food and C&H, including tier 1 & 2 audit, our food supply chain due diligence programme and worker voice.
- raises awareness of potential emerging risks of modern slavery in our own operations and supply chain through horizon scanning and market intelligence gained from our multi-stakeholder collaborations.
- highlights any instances of modern slavery identified through our audit or other reporting channels, the process we follow in investigating these channels and any remedial actions and learnings.

While we have made progress in tracking metrics against areas such as worker voice, we acknowledge that our metrics which track issues of modern slavery through audits have limitations. With the help of our human rights consultant, we intend to enhance our current metrics so they become a more dynamic set of indicators which we will use to strengthen our approach and identify emerging risks. We will report on these metrics in our Statement for 2022/23.

## OUR BUSINESS AND SUPPLY CHAINS CONTINUED

### OUR POLICIES

We have several Group-wide policies in place that are relevant to modern slavery, all of which are signed off at director level. We continually review and develop our policies with input from in-house experts, suppliers and external stakeholders. This year we have updated our Global Sourcing Principles with

support and oversight from [BSR™](#), and we are in the process of reviewing our grievance and remedy procedures. We will continue the review this year with a focus on stakeholder consultation, identifying and prioritising the most at-risk groups.

<p><a href="#">Global Sourcing Principles</a> <a href="#">Supplier Partner Guidelines</a></p>	<p>First introduced in 1998, and extended to all suppliers and partners as of May 2016, these principles set out our minimum requirements and expectations of how we and our supplier partners conduct business to uphold human rights, labour, environmental, ethical and legal requirements in their own operations and their supply chains.</p>
<p><a href="#">Human Rights Policy</a></p>	<p>States our commitment to respecting internationally recognised human rights in line with the principles and guidance contained in the United Nations (UN) Guiding Principles on Business and Human Rights.</p>
<p><a href="#">Code of Conduct</a></p>	<p>Sets a floor of minimum commitments for our business conduct. The commitments are focused on key policy areas affecting M&amp;S, to ensure we act in line with relevant laws and regulations, industry standards and stakeholder expectations. The code applies to everyone at M&amp;S, including our Board, our management team and all our colleagues, as well as those working in any joint ventures that we control and overseas sourcing offices.</p>
<p><a href="#">Confidential Reporting Procedures</a></p>	<p>Aimed principally at our colleagues, but also available to others working in our supply chain, confidential reporting channels are managed by <a href="#">Safecall</a> and concerns can be raised by phone or online in multiple languages. We are also strengthening our approach with digital solutions including worker voice feedback mechanisms.</p>
<p><a href="#">Grievance Policy</a></p>	<p>Grievance mechanism to remedy adverse human rights impacts within the Food and C&amp;H supply chains. The policy sets out how to raise a grievance and our recommended process for investigating and understanding concerns.</p>



These policies are aligned with our commitment to internationally recognised human rights standards, the ILO Declaration on Fundamental Principles and Rights at Work and the UN Women's Empowerment Principles, and the UN Environment Programme's Right to Clean, Healthy and Sustainable Environment. We are also guided by responsible business conduct standards, including the UN Guiding Principles on Business and Human Rights, the UN Global Compact and the Children's Rights and Business Principles, as well as a number of internationally recognised collaborative codes, including the Ethical Trading Initiative (ETI) Base Code and the Global Social Compliance Programme Reference Code.

## RISK ASSESSMENT AND DUE DILIGENCE

**As referenced above, the annual modern slavery risk assessment is aligned with the M&S Group risk assessment process that considers external, internal and emerging risks and how these are mitigated.**

The manifestations of modern slavery are complex and hidden, so our risk assessment includes the following to enable us to prioritise activity:

- detailed mapping of supply chains and operations;
- desk-based research;
- data from our audit programmes;
- supplier surveys;
- supply chain due diligence;
- supplier engagement;
- discussions with expert stakeholders through multi-stakeholder initiatives.

Our programmes are built on a robust foundation of compliance which allows us to monitor and track our supplier partner performance against our minimum requirements. While we are confident that there continues to be a role for compliance and social audit programmes, we recognise their limitations in identifying instances of modern slavery. We will continue to explore modern slavery due diligence methodologies that complement our strong compliance foundation. Where possible, we are using emerging technologies, such as worker voice apps, to allow us to reach further into our supply chains and hear directly from the workers impacted.

As a majority own-label business, our primary focus is on our Food and C&H supply chains, where, working closely with our trusted supplier partners, we are able to make the greatest impact. As part of our risk assessment process for these supply chains, we map our exposure to high-risk areas with systemic risks in the areas of governance, security, human rights or environmental

challenges. To identify the countries with the highest risk, we have used the following:

- the [SEDEX Radar portal](#) to understand country-level risks of forced labour;
- information and intelligence from our projects on the ground, and local knowledge from our C&H sourcing teams in our 11 sourcing offices;
- the Food Network for Ethical Trade (FNET) product-specific risk assessment to drill down to the specific ingredients and raw materials per country to identify if material to M&S; and
- information received through our memberships including Ethical Trading Initiative (ETI) and FNET.

In 2021/22 the following countries were prioritised as highest risk:

FOOD	C&H
UK	Bangladesh
Spain	India
Italy	Turkey
India	Myanmar
Thailand	China

In addition, we have identified a number of global issues as priority areas, and we will continue to monitor and review activity for:

- rising social inequality as a result of Covid-19
- Xinjiang Uygur Autonomous Region (XUAR)
- Brexit and shortages of low-skilled labour
- the movement of refugees following crises in Afghanistan and Ukraine

Once we have the above information on territory, product and mitigating activities in place, we then evaluate the overall level of risk. For all areas identified as higher risk, we review the programmes in place to understand where further activity is needed to mitigate this risk.

## AUDIT PROGRAMME

**It is a requirement that all new direct suppliers to Food and C&H have completed a self-assessment questionnaire and an ethical audit, conducted by an approved third party.**

### Food

During 2021/22, ethical audits identified 82 non-compliances (compared with 84 in 2021), under the heading “employment is freely chosen”. 44 of those referred to improvements in management systems/policies, and the remaining 38 included: withholding payment of wages, monetary deposit (deductions for Personal Protective Equipment), withholding IDs, restriction of movements (access to toilets and rest breaks), excessive notice periods/probationary period. In all instances, we have verified evidence of suppliers putting corrective actions in place or we are continuing to work with suppliers to agreed timescales to achieve this.

### C&H

In C&H, once a supplier partner is onboarded, we operate an audit policy that requires an annual ethical audit to take place. This audit cycle is then augmented by our regional compliance team of 20, based in our sourcing offices, who support factories with implementing a corrective action plan.

During 2021/22, five non-compliances (compared with four in 2020/21), under “employment is freely chosen” were identified in SEDEX audits. The findings related to management systems, deductions, and restriction of movement outside of the factory. Four have now been resolved and verified, and for any remaining non-compliance, we continue to work with the factory with a time-bound plan to resolve the issue to our satisfaction.



## RISK ASSESSMENT AND DUE DILIGENCE CONTINUED

### WORKER VOICE

**The use of new technology platforms to hear views directly from workers is becoming a widely used tool across supply chains.** While we recognise that worker voice alone is not a complete solution for monitoring modern slavery risk, we will use it to complement our audits and risk assessment methodology.

#### Food

In Food, participation in the programme we run in partnership with [nCaje](#) is now a mandatory requirement for high-risk suppliers in the UK and Republic of Ireland (ROI). During the last year we have heard from 29,338 workers and we have established a response rate of: 4.55 (out of 5) to the statement "I am free to leave my employer or change employer". We are using the results of the survey in our ongoing conversations with our supplier partners to create improvement and action plans.

#### Case study

During 2021 we received some comments from workers at a UK site that could have been possible indicators of modern slavery. As a result, we conducted an unannounced audit to review processes and procedures and understand the measures the site had in place. While no indicators were confirmed, the Modern Slavery and Exploitation helpline details were shared with workers, further awareness training on modern slavery was identified as a key action for the site, and we passed our intelligence from the visit to the [Unseen Modern Slavery and Exploitation helpline and Business Portal](#) in case any workers did reach out. Closer engagement with workers through the worker voice programme is providing insight into some of the issues they face; however, we are mindful when assessing these comments that they need to be contextualised.

#### C&H

For our Clothing & Home business, we have implemented "worker voice" pilot projects in over 90 factories with a total population of over 70,000 workers in five of our key sourcing countries: India, Vietnam, Bangladesh, China and Turkey. One of the challenges we are encountering is collecting the data in a way that protects workers' anonymity while allowing us to respond to any concerns and ensure remedy without revealing the identity of the worker. Our priority for the coming year is to develop a process to respond appropriately to feedback. We are also aware this is an increasingly busy space, with multiple brands setting up worker voice programmes, potentially causing overlap across a similar supply base. We will be meeting with other brands in the coming months to discuss how to better coordinate programmes, minimise duplication for workers and share learnings. Results from the pilot projects will drive future development of our worker voice programme, and will be included in future reports.



### REPORTING THROUGH OTHER CHANNELS

Any notifications of potential modern slavery issues and risks that are reported to us through other channels, grievance mechanisms, whistle-blowers or any other parties are thoroughly investigated and remediated where required.

CONTACT CHANNEL	NUMBER OF CASES	COUNTRY
Supplier Partner	3	1 – UK, 2 – India
Modern Slavery and Exploitation Helpline Business Portal	2	UK
Media	2	Spain
Ethical Trading Initiative	1	UK
Worker voice programme	1	UK
<b>Total</b>	<b>9</b>	

This year, nine cases of potential indicators of modern slavery were brought to our attention and, following investigation, none resulted in us finding instances of modern slavery, but one case did highlight evidence of exploitation (see case study). Working closely with our supplier partners and sourcing teams in region, we will continue to monitor the situation in all cases.

#### Case study

In April 2021, we were approached by a supplier partner who highlighted that they were working with the [Gangmasters & Labour Abuse Authority \(GLAA\)](#) investigating a claim of possible indicators of labour exploitation/modern slavery. The claim had been brought forward by a colleague who had recently undergone Stronger Together training.

The investigation with the GLAA led to further work in the community with the local council and the police and identified a private address where individuals were living in substandard conditions at a House of Multiple Occupancy. All residents were supported to leave the address and alternative accommodation was identified. While this wasn't ultimately a case of modern slavery, through the proactive response of the colleague following their training, and the supplier's commitment to support and protect its colleagues beyond the workplace, the individuals were able to move to better accommodation.

Throughout the process we supported our supplier partner in all of the investigations and remained informed of progress.

This is a good example of the two-way dialogue we hope to strengthen with all our supplier partners when issues arise, as it allows us to learn together.

## RISK ASSESSMENT AND DUE DILIGENCE CONTINUED

### OUR PRIORITY MODERN SLAVERY RISKS



**Our risk assessment has identified several priority areas where we have increased our focus and tailored our due diligence to specific locations over the last 12 months.**

#### Food

##### High-risk ingredients

In April 2021, we confirmed that while we had no direct sourcing from Xinjiang, China, some of our products contained a few raw materials and ingredients that are grown in the region. Due to the high risk of modern slavery and the limited ability to conduct successful due diligence in that region, we established a specific policy on sourcing from Xinjiang. As of September 2021, we do not accept any ingredients or raw materials that are sourced from Xinjiang.

To understand more about the modern slavery risks associated with our supply chain this year, we launched a due diligence programme with our Food suppliers. The focus in this first year has been on awareness raising, and already we have seen a positive reaction with an increased appetite to take action. You can read more about our approach [here](#).

##### Southern Europe

In Southern Europe, much of our fresh produce supply base is reliant on migrant workers, particularly over seasonal periods. We are partners of the [Ethical Trade Initiative Working Group on Italian Produce](#), which aims to use its collective leverage to improve the human rights impact on its Italian supply chains. The group supports local growers to adopt more robust labour practices and engage local suppliers to strengthen due diligence. During 2021, resources such as guidance on farm-level risk assessment and awareness-raising materials in both English and Italian were developed, and

subsequently delivered by three suppliers to 12 cooperatives.

We are also active partners in the [Spanish Ethical Forums](#), a collaborative initiative delivering dialogue and engagement between the fresh food industry supply chain and its stakeholders, while obtaining relevant impacts, raising awareness, developing solutions and improving workers' lives. This year, the Forums have delivered 10 seminars on capacity-building to 777 attendees, and have had two international online events with over 500 attendees focusing on worker participation and human rights due diligence.

##### Thailand

In Thailand, we have been strategic partners with [The Issara Institute](#) since 2014, an independent NGO tackling issues of human trafficking and forced labour through worker voice, partnership, and innovation. This year, we have begun to make use of the updated Issara Partner Supplier Dashboard, which allows us visibility of information on recruitment and working conditions reported on an ongoing basis directly by workers in our supply chain, through Issara's independent worker voice channels. It also provides us with information on the responses of recruiters and suppliers; these are verified by Issara and offer assessments of the quality and timeliness of responses to worker grievances.

##### UK agricultural seasonal workers

In March 2021, an independent FLEX report highlighted the risk of human trafficking for forced labour of workers coming to work in the UK on the Seasonal Worker VISA. The Independent Anti-Slavery Commissioner, Dame Sara Thornton, has also raised concerns over labour exploitation risks in the Seasonal

Worker VISA route. Throughout the year, we have continued our work in collaboration (see page 12) and conducted our own due diligence to understand more about the risks associated with the programme. We will use the learnings to mitigate risk with our suppliers for the 2022/23 season, as well as being mindful of the potential exploitation of Ukrainian workers following the outbreak of the war. We will continue to monitor the situation and work with others to develop best practice in this area.

##### Seasonal Worker VISA due diligence

In June 2021, we conducted a visit to a Scottish berry supplier partner to review their recruitment process and interview workers on the UK temporary visa scheme. From the interviews it was clear how complex the challenges surrounding the VISA were for the workers involved, including the cost of the VISA itself and the potential impact of the weather on working hours.

In December 2021, we conducted a tailored visit to our UK poultry suppliers to review processes and interview workers on the UK temporary visa scheme. We interviewed workers from Ukraine, Belarus, Bulgaria and Romania to understand their recruitment journey, their accommodation in the UK and their workplace. The visit identified very different models of recruitment in origin countries and a difference in the level of understanding of workers on the roles that they were being recruited for. The greatest challenge identified was the very quick turnaround provided by the special scheme to recruit the workers and the need for more time to conduct further due diligence checks.



## RISK ASSESSMENT AND DUE DILIGENCE CONTINUED

### C&H

#### Xinjiang

In January 2021, M&S became one of the first companies to formally sign the [Call to Action on human rights abuses](#) to exit the Uyghur Region, and we continue to work closely with the Coalition to End Forced Labour in the Uyghur Region to help play our part in driving meaningful change at scale. M&S is one of the few retailers that did not work with any C&H Tier 1 suppliers in the region in 2021, and we continue to work to engage our supply base to ensure they understand our position on sourcing in the region. Our sourcing policy states a ban on certain cotton-producing regions or countries, and our supplier partners are required to complete a fibre Country of Origin declaration for all our cotton fabrics. Understanding the challenges of traceability, we have established a scientific traceability programme for sample testing of our products with [Oritain™](#) to verify cotton origin, and enforce our policy.

It is widely reported that there are Uyghurs outside Xinjiang working through potentially abusive labour transfer programmes. In response, we have carried out due diligence audits and worker interviews in all of our supplier partner factories in China which have not, to date, identified evidence of any forced Uyghur workers in our factories. We will, however, continue to monitor the situation.

#### Karnataka

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

We recognise the increased risk of forced labour and exploitation as a result of delayed or unpaid wages. We worked with the [ETI](#) and Brands Ethical Working Group to insist that all workers in Karnataka be paid the Mandatory Minimum Wage and all arrear payments of VDA. We engaged our suppliers in the state directly, making clear our expectation that these conditions be met with immediate effect. We also collaborated with other stakeholders to lobby for a pay ruling and support of the court hearings in order to get a resolution. In February 2022, we reached a successful resolution, and due to pressure from the Brands Ethical Working Group and external stakeholders, all of our suppliers committed to repay VDA wage increases for both 2020 and 2021, regardless of any outstanding court decision.

#### Visibility at Tier 2

In 2021, we increased the scope of our audit programme to 83 of our top Tier 2 fabric suppliers using the [Higg Index Facility Social and Labour Module \(FSLM\)](#). In 2022, we are extending this further to include the top 250 facilities, and to support the growing programme we have strengthened the team with four additional members in our sourcing offices and one data analyst in the UK. Our key focus for 2022 is to strengthen our Tier 2 monitoring, implement corrective action and promote continual improvement processes. This extension of our audit programme will help us understand the wider risks of modern slavery in Tier 2 of our supply base.



## RISK ASSESSMENT AND DUE DILIGENCE CONTINUED

### GNFR AND SERVICES

To ensure compliance with our minimum standards in our GNFR supply base, all our supplier partners have been invited to carry out a questionnaire and document-based management system assessment through the **EcoVadis** platform.

This assessment covers the policies and processes supplier partners have in place, covering topics including employee health and safety, working conditions, social dialogue, diversity, child labour and human rights. Once a scorecard has been generated for a supplier, any improvements required are highlighted and issued to suppliers in the form of a corrective action plan, which is then actively monitored on the EcoVadis system. 81 per cent of our supply base is currently covered by an EcoVadis scorecard, and all new suppliers will be invited to join the programme.

The desk-based assessment allows us to identify risk, and we prioritise the corrective action plans of suppliers in high-risk industries and those that score below the threshold of the labour and human rights module. Our Procurement team have completed the "People Behind the Product" learning module (see page 11) and have attended several training sessions with EcoVadis on interpreting action plans. This year, we hope to build on this strong data and compliance foundation with targeted due diligence, incorporating questions on labour standards into our ongoing supplier management meetings with a focus on high-risk industries. We have also taken targeted actions in response to our Group risk assessment, as identified opposite.



#### Warehousing and Logistics

While the majority of our colleagues that work in our distribution centres are employed on permanent contracts, we know there are risks for those colleagues that we recruit during seasonal periods. As part of our work with the CGF Human Rights Coalition: Working to End Forced Labour (see page 12), we are committed to establishing and deploying human rights due diligence systems within our own operations. We have identified Warehousing and Distribution, and Logistics and Transport as key risk areas within the UK and ROI. Our priority this year will be mapping and onboarding key colleagues into the programme with training. We will then measure the status of our internal human rights due diligence through a self-assessment and, where needed, conduct facility-level visits. We will share the learnings with our peers within the working group who operate in similar functions and geographies.



#### Property

The UK government has identified the construction industry as high-risk, owing to the number of potential migrant workers employed as subcontractors and agents. There are also potential risks associated with the direct procurement of equipment, as the supply chain is long and complex and includes a mix of skilled and non-skilled labour. Alongside the EcoVadis programme, it is a mandatory requirement for all our supplier partners to be approved by Altius, a specialist industry accreditation tool that provides a desk-based risk assessment. Following our internal upskilling and training (see page 11), our focus this year will be on engaging directly with our supply base – particularly our smaller suppliers – ensuring conversations on modern slavery and labour standards are included in ongoing relationship management.



#### Operations and Logistics

It is recognised within the industry that logistics and operations functions are often high-risk areas for modern slavery, with a high demand for workers; this was particularly felt with the impact of the shortage of drivers at the end of 2021. We operate both our Foods and C&H logistics through third parties, and while these relationships are long-standing trusted partnerships, we know that there is more we can do.

This year we have started an open dialogue with our primary Food logistics partner, Gist, to identify additional risks and mitigations. We have shared openly some of the learnings through this challenging period, including an additional layer of identification checks when recruiting. Gist have recently partnered with Stronger Together and will be launching training this year for all managers to promote deeper engagement and awareness of modern slavery. We will continue this dialogue in our meetings on a quarterly basis.

Within the C&H supply chain we will start a similar dialogue with our key partners as a priority for this coming year. During the year we hosted engagement sessions with our colleagues in the UK and International sourcing offices on modern slavery and spotting its indicators (particularly during visits to our partners' distribution centres). While the limitations of travel have prevented us carrying out site visits this year, we will recommence this due diligence with our visits in 2022/23.



#### Retail

Contract cleaning is identified as high-risk due to the likelihood of migrant workers and exploitation of female workers. This is a managed risk, with strategic contracts placed across two suppliers from April 2021. Both suppliers fall under the EcoVadis procurement programme set out above. Car-washing services are at high risk of human trafficking and migrant workers, and are often operated by organised crime gangs. M&S ceased the use of customer car-washing in car parks in 2018.

### PARTNERSHIPS

**International franchise partners** – This year, we completed a review of our franchise partners to ensure that the standards and processes they uphold are in line with the Principles in our Code of Conduct, including modern slavery. We identified no major risks, and the action plans created have been shared with franchise managers where improvements can be made. We will continue our conversation with partners on a bi-annual basis moving forward.

Following the invasion of Ukraine by Russia, the Board rapidly engaged in crisis discussion and closely monitored the situation. The Board unanimously agreed that colleague welfare was the Company's priority. [Read more about our response here.](#)

**Ocado & UK franchise** – Recognising the crucial role of partnership, we have started an open dialogue with Ocado Retail to share insight and learnings on modern slavery. As this develops, we will look to replicate this with our other partners.

### THIRD-PARTY BRANDS

Following the launch of brands at M&S in March 2021, we now have 40 brands available online and a number available in selected stores, with more partnerships planned. While we have established a set of minimum requirements from the outset and implemented a self-assessed questionnaire, we acknowledge that this growth in the brands programme will require greater due diligence. In response, we have recruited a specialist environmental and ethical trade manager to work within the brands team. Over the next year their role will be to build relationships with our brand partners, strengthening the compliance foundation and developing an increased awareness of modern slavery risks through training and engagement.

## TRAINING AND AWARENESS

**Our colleagues and our supplier partners play a major role in helping us to identify and prevent modern slavery in our supply chain.**

In January 2022, we launched a mandatory e-learning module for our support centre colleagues that shines a light on the “**People Behind the Product**”. Delivering this training was one of the key commitments we made in 2021, following a [review](#) Oxfam made into our supply chains which identified the need to reset our training and engagement programmes for commercial buying teams, amplifying human rights and worker perspectives.

The module helps our colleagues to consider who the people behind our products are and to understand how the choices they make on a daily basis can impact the people who work in our supply chains. It includes fictional case studies from global supply chains. To date, the module has been completed by 94.8 per cent of colleagues across our Food, C&H, International, Bank & Services and support centre functions, including Corporate Governance, Procurement, Digital and Data, HR and Property. This module will be completed by colleagues every two years, and is also mandatory for new colleagues when they join M&S.

### Food

Building on the foundation of the People Behind the Product e-learning awareness, we have developed tailored training for our colleagues who work within our commercial buying teams that is specific to the decisions they make daily and the behaviours they display. The first two-hour interactive course used case studies from our own supply chain and was attended by 65 of the commercial buyers. The training forms part of a broader programme of responsible sourcing training sponsored by our Food Commercial Director that we will deliver over the next year.

### C&H logistics

In the absence of face-to-face visits and meetings with our overseas support centre colleagues, our logistics teams held virtual conferences and training sessions. Operating at a time of reduced audits and site visits owing to Covid-19 lockdowns globally, the training identified the increased risk of modern slavery and the role our colleagues play in identifying and mitigating the response. The training was delivered to 70 members of the leadership teams, and we will be widening the scope to include remaining members of the teams this year.

### FOOD SUPPLIER PARTNER TRAINING

We recognise the role that excessive recruitment fees can play in leaving workers in situations of debt bondage, a form of forced labour. M&S is a sponsor of the [Responsible Recruitment Toolkit \(RRT\)](#), which enables our suppliers to access a variety of tools and resources to manage responsible recruitment. This year 101 of our supplier partners have accessed the programme and 168 individuals have completed an RRT training course.

We continue to work with [Stronger Together](#), a multi-stakeholder business-led initiative aiming to reduce modern slavery by providing guidance, training and resources in the UK, Spain and South Africa. Through the programme this year, we have reached 1,370 individuals with 380 suppliers across the UK; 26 new sites became Stronger Together Business Partners and six became Advanced Business Partners. We also had 10 suppliers in Spain participate in the programme.



## COLLABORATION

Partnerships are crucial in tackling modern slavery, particularly when confronting some of the global challenges we face within the industry. Collaborations between retailers, manufacturers, NGOs and government bodies is a crucial way to share information, develop guidance and shape our approach moving forward.

In December 2021 we participated in the Home Office Modern Slavery Unit's workshops on the development of the revised Modern Slavery Strategy. The sessions were an opportunity for businesses to give their thoughts on issues related to the government's future approach towards transparency in supply chains and included topics such as mandatory due diligence, the effectiveness of import bans, and broader issues like the nexus between climate change and modern slavery.

Our CEO, Steve Rowe, has a leadership role as co-sponsor of the [Consumer Goods Forum: Human Rights – Working to End Forced Labour](#). The CGF Coalition is unique in bringing together CEOs of global retailers and consumer goods manufacturers to collaborate to eradicate forced labour. The commitment has three Priority Industry Principles to help prioritise action to address the primary drivers of forced labour within the consumer goods industry. Keeping in line with the UN Guiding Principles on Business and Human Rights, members are committed to achieving 100 per cent Human Rights Due Diligence coverage in their own operations by 2025 to address forced labour risks (see page 10).

M&S is a founding member of the [Modern Slavery Intelligence Network \(MSIN\)](#), a pioneering non-profit collaboration in the UK food and agriculture sector created in response to the findings of Operation Fort, the UK's largest ever modern slavery investigation. Members are coming together to achieve effective ways of working and to ensure, as far as possible, that robust mechanisms are in place to safeguard those who may be impacted by modern slavery and/or worker exploitation. In 2021, the MSIN appointed international NGO Stop the Traffik as a data-sharing partner to develop an online platform and trialled it using dummy data. The MSIN also created a comprehensive set of legal documents to govern data sharing, membership and confidentiality. Throughout the year, members have conducted 27 meetings with priority stakeholders, including NGOs and law enforcement agencies, to share plans and seek guidance on the approach the MSIN should take to achieve successful outcomes. Live intelligence sharing is due to start in early 2022, with plans for a formal launch in June 2022.

In addition to the above, we have also been involved in the following partnerships over 2021/22:



ORGANISATION	WHY WE ARE IN PARTNERSHIP
<a href="#">International Accord</a>	M&S were a signatory of the original Accord on Fire and Building Safety in Bangladesh (2013), and have since also signed the subsequent Transition Accord (2018), the Interim Agreement (2021), and the International Accord for Health and Safety in the Textile and Garment Industry (2021).
<a href="#">Clear Voice</a>	Interpreting service specialising in telephone, face-to-face and video interpreting. The social enterprise run by Migrant Help allows us to speak to workers through translation during interview.
<a href="#">The Coalition to End Forced Labour in the Uyghur Region</a>	We are a signatory of the Call to Action (see page 9).
<a href="#">Consumer Goods Forum Coalition for Action to End Forced Labour</a>	Brings together CEOs of global retailers and consumer goods manufacturers to collaborate to eradicate forced labour.
<a href="#">ETI</a>	Our membership enables us to work collaboratively with companies, trade unions and civil society on difficult human rights issues, including modern slavery, that cannot be solved by individual companies working alone.
<a href="#">Fast Forward</a>	Social compliance audit methodology for UK textile factories; M&S is represented on the Steering Committee.
<a href="#">Food Network for Ethical Trade (FNET)</a>	FNET is a key vehicle to drive ethical trading down the supply chain and work with industry partners and suppliers on challenging ethical issues. It played a pivotal role over the last year during Covid-19 – M&S was a founding member.
<a href="#">ILO Better Work Programme</a>	Better Work and Better Factories programmes delivering impact in the supply chain. M&S is represented on the European Buyers Steering Committee.
<a href="#">Institute for Human Rights and Business "Leadership Group for Responsible Recruitment", focusing on the Employer Pays Principle</a>	Launched in May 2016, the Leadership Group for Responsible Recruitment is a collaboration between leading companies and expert organisations to drive positive change in the way that migrant workers are recruited. As part of this group we are committed to the 'Employer Pays Principle'.
<a href="#">Issara Institute</a>	M&S is a strategic partner in the Issara Institute in Thailand, which promotes a different model of issue detection based on an "empowered worker voice".
<a href="#">Responsible Recruitment Toolkit</a>	Social compliance audit methodology for UK textile factories; M&S is represented on the Steering Committee.
<a href="#">SEDEX</a>	Sharing data significantly increases efficiencies for M&S. The platform creates consistency across supply chains, making it much easier for suppliers to take action.
<a href="#">Spanish Ethical Forums</a>	Collaborative initiative delivering dialogue & engagement between the fresh food industry supply chain and its stakeholders, while obtaining relevant impacts, raising awareness, developing solutions and improving workers' lives.
<a href="#">Stronger Together</a>	Multi-stakeholder business-led initiative aiming to reduce modern slavery by providing guidance, training and resources in the UK, Spain and South Africa.
<a href="#">Unseen Modern Slavery and Exploitation Helpline and Business Portal</a>	Sponsorship of the Modern Slavery and Exploitation helpline and intelligence from the portal helps us to investigate live issues within our supply chains.

## NEXT STEPS



As we acknowledged at the beginning of the Statement, we have started work this year to review our Group approach to human rights and modern slavery with a human rights expert. Our priority for 2022/23 will be to review our overall Group approach to human rights and modern slavery, updating our salient human rights issues for activity conducted

across our whole business, and developing a due diligence framework for all areas of our business. We will also enhance our current metrics so they become a more dynamic set of indicators, which we will use to strengthen our approach and identify emerging risks on modern slavery. We will report against this new structure in our Statement next year.

### Summary of 2022/23 commitments:

ONGOING COMMITMENT	ACTIVITY PLANNED FOR 2022/23
<p>Train our colleagues to raise awareness of our corporate responsibility and train suppliers and assess their ability to detect and mitigate modern slavery risks.</p>	<ul style="list-style-type: none"> <li>- Continue to roll out the People Behind the Products training to new colleagues joining the business.</li> <li>- Build on the foundation of the Food responsible sourcing training.</li> <li>- Continue to roll out training to C&amp;H logistics colleagues.</li> </ul>
<p>Strengthen our network of supply chain intelligence to build supplier partner capacity, and work with leading forced labour experts on bespoke due diligence audits.</p>	<ul style="list-style-type: none"> <li>- Monitor the risks surrounding the seasonal workers VISA scheme with our supplier partners and collaborations.</li> <li>- Conduct due diligence within our own C&amp;H operations as part of the CGF working group.</li> </ul> <p>We will continue to:</p> <ul style="list-style-type: none"> <li>- develop and scale worker voice programmes across Food and C&amp;H.</li> <li>- support our Food suppliers implement due diligence across their own supply chains.</li> <li>- the roll out of Tier 2 audits across the C&amp;H supply base using the FSLM module.</li> <li>- review our grievance and remedy process with a focus on stakeholder consultation.</li> </ul>
<p>Identify risks regarding recruitment practices of third-party labour providers in M&amp;S operations and supply chains.</p>	<ul style="list-style-type: none"> <li>- Develop our GNFR supplier scoring programme to move beyond compliance for high-risk suppliers.</li> <li>- Build on the open dialogue with one of our Food logistics partners and share the learnings from the Stronger Together training.</li> <li>- Develop a similar dialogue with our C&amp;H logistics partners and recommence in-person site visits and due diligence checks.</li> <li>- Include conversations on modern slavery in areas where we operate in partnerships.</li> </ul>
<p>Identify and use opportunities for collaboration to verify and help resolve risk issues.</p>	<p>We will continue to work with industry collaborations outlined in the section above with a particular focus on:</p> <ul style="list-style-type: none"> <li>- continuing the development of MSIN.</li> <li>- Leadership Group for Responsible Recruitment and driving forward the 'Employers Pays Principle'.</li> </ul>