

MARKS & SPENCER

MODERN SLAVERY STATEMENT 2019/20

CONTENTS

- Introduction
- Organisation structure & supply chains
- Governance
- Policies and contractual controls
- Risk assessment and management
- Due diligence processes
- Training on modern slavery and trafficking
- Partnerships
- Next steps

This statement has been published in accordance with the Modern Slavery Act 2015. It sets out the steps taken by Marks and Spencer Group plc and other relevant group companies¹ (“M&S”) during year ending 1 April 2020 to prevent modern slavery and human trafficking in its business and supply chains.

INTRODUCTION

This is M&S’s fifth Modern Slavery statement issued under the Modern Slavery Act. It outlines the steps we take as a business to prevent slavery and human trafficking in our own operations and supply chains. We recognise that Modern Slavery is a growing global issue and we understand our responsibility to prevent, mitigate and remediate where necessary, the risks of human trafficking, forced, bonded and child labour and to respect human rights in our operations and our supply chain. Our commitment to our customers and stakeholders is very clear, we will always treat people in our business and supply chain fairly. We continuously review and improve our practices to ensure that we have the most effective responses to prevent and remediate any negative impact on human rights.

OUR BUSINESS AND SUPPLY CHAINS

We operate a family of accountable businesses, including Clothing & Home, Food, International, Property and M&S Services, using the M&S own-brand model, focused on delivering quality products at great value for money. Although primarily based in the UK, we sell into 57 countries from 1,038 stores, and 44 websites around the world. We employ over 78,000 colleagues serving about 32 million customers. You can read more about our business in our [Annual Report](#).

Our product supply chains are extensive and global, with suppliers in more than 80 countries. We have three

primary groups of suppliers; (1) Food, (2) Clothing & Home and (3) Goods Not for Resale. Our Goods Not for Resale are the products and services we procure to run our business – such as professional services, store equipment, design services and stationary.

We publish the [M&S interactive supply chain map](#), disclosing our tier one supply chain across Food and Clothing & Home. The scope has been extended to include some raw materials including wool, manmade cellulosic fibres, beef, fish & seafood, dairy, tea and coffee. It is updated on a six-monthly basis.

¹ This statement sets out the steps taken by Marks and Spencer Group plc, Marks and Spencer plc and Marks & Spencer Simply Foods Limited all of which fall within the scope of section 54(2) of the Modern Slavery Act 2015 and the Modern Slavery Act 2015 (Transparency in Supply Chains) Regulations 2015.

MODERN SLAVERY STATEMENT 2019/20

GOVERNANCE

The Managing Directors of each of our family of businesses is responsible for Modern Slavery activity within their operations. Overall accountability is held by the Operating Committee, chaired by the CEO, Steve Rowe and the Board have final sign off.

POLICIES AND CONTRACTUAL CONTROLS

We have appropriate policies, a due diligence programme based on risk assessment and effective follow up. We also have an appropriate level of colleague and supplier training and a strong emphasis on collaborative partnerships, stakeholder dialogue and transparency.

We continuously review and improve our policies and detailed guidance with input from practitioners across the business, suppliers and external stakeholders. We have several groupwide policies in place relevant to Modern Slavery, all of which are signed off at Director level. This includes our:

- [Human Rights policy](#)
- [Code of Ethics & Behaviours](#)
- [Confidential Reporting Procedures](#) (aimed principally at our colleagues but also available to others working in our supply chain.)
- [Grievance Policy](#) for Clothing, Home and Food supply chains effective remedy of human rights issues.
- [Global Sourcing Principles \(GSP\)](#), have applied to product suppliers since 1998, and as of May 2016, have been extended to all suppliers and franchise partners – including goods not for resale.

All policy updates and supporting materials are shared with our International Owned and Joint Venture teams to ensure alignment with business policies, and to embed these alongside necessary local Human Rights and Modern Slavery legislation.

In 2018 we further strengthened our Global Sourcing Principles. This included clarifying the position on non-payment of recruitment fees, expectation on supplier transparency and the requirement for additional due diligence if operating or sourcing in high risk locations.

In addition to our group wide policies on Modern Slavery, supplementary Food specific policies are in place which include:

- Food Commercial Terms of Trade Supply Agreement
- Technical Terms of Trade
- Ethical Trade Business Standard
- Ethical Trade Standard for Basic Produce
- Incident Control Procedure for handling cases of Modern Slavery

We recognise that grievance mechanisms are vital for workers to be able to raise issues. We continue to sponsor the Modern Slavery Helpline and provide confidential reporting channels through Safecall, in addition to having a public Grievance Procedure. Our standard supplier contractual terms for Clothing suppliers include obligations on performing Modern Slavery Act risk assessment, controls, and notification of Modern Slavery findings.

Our supplier and service provider contracts include strong obligations regarding compliance with Modern Slavery legislation.

We also continue to support suppliers and partners to embed responsible recruitment practices, as founders of the [Responsible Recruitment Toolkit](#), developed in 2018.

Case study

MODERN SLAVERY HELPLINE AND BUSINESS PORTAL

In the three years since the [Modern Slavery Helpline](#) was launched, operated by modern slavery charity Unseen, it has taken over 41,500 calls and online reports, indicating more than 16,500 potential victims of modern slavery. In 2019, 50% of cases reported to the Helpline are related to those in situations of forced labour, from across a diverse range of sectors. The Helpline's collaborative approach supports businesses to better understand the nature and scale of the issue by working in close partnership using the

information it receives to inform collective action. This is vital to ensure risks can be mitigated and emerging threats are managed. In 2019 we extended our sponsorship of the Helpline, becoming members of the Modern Slavery Helpline Business Portal. This has provided us with visibility for potential cases of modern slavery relating to M&S. Where required, cases are investigated by the Human Rights Manager with the support of Unseen and remediation provided where appropriate.



MODERN SLAVERY STATEMENT 2019/20

RISK ASSESSMENT AND MANAGEMENT

The annual Modern Slavery risk assessment approach is aligned with the M&S Group risk register method, considering changes to external and internal 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, supplier surveys, supplier engagement, and discussions with expert stakeholders.

We used a bespoke, industry leading, risk assessment methodology to map our exposure in different countries and review what we have in place to mitigate issues. In 2019/20 the following countries were prioritised as highest risk to Food and Clothing & Home for Modern Slavery:

Food highest risk countries for Modern Slavery	C&H highest risk countries for Modern Slavery
Thailand	India
Malaysia	China
India	Turkey
Italy	Vietnam
Spain	Bangladesh
UK	Cambodia

The M&S Food business in collaboration with Gist, our logistics partner, have begun work to better understand the greatest areas of risk within warehousing and logistics providers. This work continues in 20/21 with a third party assessment of warehousing and logistics providers which will inform the future workplan.

Risk assessment of Owned and Joint Venture businesses is reviewed quarterly through the monthly operational Reviews, quarterly committees and Board meetings; and at least once a year formally as part of the annual Integrated Business Plan review with each International Franchise Partner.

The same information is communicated to our International Franchise Partners to provide detail on our Global Minimum Standards, which they are required to adhere to as detailed in the Franchise Legal Agreements.

Case study

HARVESTING FOR THE FUTURE – TURKEY

In August 2019 we became a partner in the Fair Labor Association project “Harvesting the Future” in Turkey. This is a multi-partner project designed to improve recruitment and employment practices for seasonal migrant workers in Turkey’s agriculture sector. Estimates suggest that there are one million seasonal migratory workers in Turkey’s agriculture sector. These workers are often subject to long hours, poor living conditions, a lack of minimum wages, and indebtedness to labour intermediaries. The project engages labour contractors and farm workers across commodities such as, apricots, cumin, grape, hazelnuts, maize and sunflower seeds, potatoes, sugar beets, and pistachios. We are at an early stage in the project but keen to find new ways to tackling possible situations of exploitation and look at this as a possible blueprint for how we work with labour brokers in other countries where there are multiple commodities and seasonal migration.

Case study

EFFECTIVE COMMUNICATION TOOLKIT FOR MULTI-LANGUAGE WORKFORCES

Workers can feel isolated and frustrated if they’re unable to raise concerns or grievances because of a language barrier. In September 2019, M&S Foods and Co-op, worked in partnership with allianceHR and nGaje to launch a toolkit to help suppliers manage multi-language workforces. The extensive toolkit provides simple, practical tools for our suppliers to understand the importance of effective communication and develop a clear policy to implement across their business, while enabling them to identify when workers might not understand something. Our aim is to ensure greater protection for those who are more vulnerable and who could be susceptible to hidden exploitation, including Modern Slavery. In addition, better communication enables workers to communicate effectively and understand the tasks required to do a good job.

MODERN SLAVERY STATEMENT 2019/20

DUE DILIGENCE PROCESSES

Having established risk, we conduct due diligence within our supply chains and operations to understand whether there is evidence of Modern Slavery issues, and whether there are enough controls in place.

All new and existing direct suppliers to Food and Clothing & Home are required to have ethical audits, conducted by third parties. If issues are identified, appropriate investigative and remedial actions are taken.

During 2019/20, ethical audits identified 46 non-compliances compared with 16 in 18/19, under the heading 'employment is freely chosen'. 29 of the 19/20 non-compliances identified a requirement to improve management systems and policies. The remaining 17 non-compliances covered issues with debt, document retention, termination processes and freedom of movement.

In all instances, we have verified evidence of suppliers putting corrective actions in place or are working with suppliers to agreed timescales to achieve this.

In July 2019, we became aware that some of the victims of UK's largest ever modern slavery network were working at Sandfields Farm who harvest and pack onions for G's, an M&S Food supplier. 'Operation Fort' uncovered vulnerable victims who had been trafficked from Poland with the promise of well-paid jobs. Ninety-two potential victims of modern slavery were identified, although police believe that up to 400 victims in total were exploited by the gang. Details on our response are included in a case study below.

We recognise the limitation of mainstream ethical audits to identify Modern Slavery issues; and to have effective Modern Slavery due diligence, we need to undertake a range of other methodologies, as appropriate for the nature of the supply chain. Our due diligence over the last year has included:

- Bespoke assessments and audits where a previous assessment, intelligence or whistle blower highlights a higher risk in relation to Modern Slavery
- In person visits to high risk Food and Clothing & Home supply chain countries
- Membership of the Modern Slavery Business Portal for the Food supply chain
- A focus on understanding the risks for migrant workers from Myanmar to Thailand in the Food supply chain
- Research to understand inter-state labour movement in North India in the Clothing & Home supply chain

As we have gone further down into our supply chain, we have also encountered challenges. It is time consuming to map supply chains several tiers down. Even when funding is provided, entities further down the chain are reluctant to undertake additional due diligence for a remote customer. We will continue to work on our approach to address these challenges, report transparently where we find them, and engage in collaborative work to bring greater influence on challenging areas of our supply chain.

Case study

LEARNINGS FROM OPERATION FORT

Since the Operation Fort case came to light, we have challenged ourselves again to ensure our policies, due diligence processes, risk assessment, training and capacity building programmes are as robust as they can be. This case highlights how critical it is that our business, our suppliers and the labour providers in our supply chains have the systems, processes and capabilities to highlight signs of Modern Slavery so we can identify and prevent cases like this occurring. Following the case, we have communicated to all our food suppliers that we know that modern slavery is

a risk and recognise those who are proactively managing this issue. We have strengthened our Incident Control Procedure for handling cases of Modern Slavery and undertaken awareness training for our Food colleagues on modern slavery and their responsibilities. However, we have identified that we need to do more to tackle modern slavery and we are currently exploring with G's how a cross-sector intelligence sharing platform could play a role in detecting, preventing and disrupting modern slavery.

MODERN SLAVERY STATEMENT 2019/20

TRAINING ON MODERN SLAVERY AND TRAFFICKING

Training and raising awareness remains a key focus for the business and our extended supply chains in 2020, building on the work of the previous years where we have built the capacity of our key colleagues. We have also trained practitioners and leadership teams who have been given increased responsibility for understanding and mitigating Modern Slavery risk, as well as raising awareness across the business through training including our 'Many Eyes' site visit toolkit for buyers.

Building on specialist modern slavery training held in our China and Hong Kong regional offices in 17/18 and the attendance of the Ethical Trading Initiative's (ETI) modern slavery training, we have continued to roll out the awareness training in our other sourcing offices in India and Turkey. In China we have trained 135 of our own colleagues on Modern Slavery within 18/19.

In addition to the Many Eyes Toolkit, we have converted the content into a phone app called "Everyone's Business" empowering all buying team members to contribute to responsible sourcing. It provides guidance on responsible sourcing principles, country specific human rights information and advice on how to spot potential issues at suppliers. This was piloted in Foods and Clothing & Home buying teams throughout 19/20.

In 2019/20 our Food business delivered training to colleagues internally, as well as externally in the supply chain, reaching 1,034 individuals.

Internal cohort trained	Number reached
M&S Food New Starters	46
M&S Food Technologists	52
M&S Buyers Academy	56

External cohort trained	Number reached
Stronger Together South Africa (56 businesses)	341
Stronger Together UK Training (34 Suppliers)	229
Responsible Recruitment Toolkit	166
Multi-Language Toolkit Launch	144

Additionally, the Food business has supported several events, launches and conferences to upskill on modern slavery including:

- Founding sponsors of [Stronger Together Spain](#)
- Supporting multi retailers Spanish Forum
- Supporting [Food Network for Ethical Trade \(FNET\)](#)
- Supply Chain events with [Issara](#) & [IHRB](#)
- M&S Foods Ethical Supplier Forums
- Director of Technology speaking at the G's Modern Slavery Conference
- Human Rights manager speaking at the CCLA Investor Conference
- Supporting the Annual Responsible Recruitment Leadership Group Conference in Thailand.

Our Clothing & Home team have continued to upskill UK suppliers via Fast Forward training sessions in the UK and ran a supplier conference in Vietnam on Modern Slavery. In 18/19, our compliance team in China delivered workshops to train 62,000 workers in Clothing & Home factories on Modern Slavery.

In 19/20, the [Modern Slavery Toolkit](#) was redistributed to all global suppliers. This toolkit is intended to support M&S suppliers and partners to implement a strategy for their business and their supply chains to tackle modern slavery, as well as make clear M&S' expectations.

Case study

PILOTING WORKER VOICE TECHNOLOGY nGaje

In November 2019, we launched a pilot with 12 suppliers to better identify whether a workplace was a good one to work in. This co-created programme gains worker insights on 10 vital signs. This enabled us to compare anonymous feedback from workers with key management data to see if there were differences in the results. One of the vital signs is understanding workers awareness and response to modern slavery. To date 1,327 workers have participated in nine supplier sites using a simple anonymous survey in their native language. Further testing is required but indications show that directly receiving worker feedback is very helpful. Comparing worker feedback to management insight allows us to identify gaps and where action is required.

MODERN SLAVERY STATEMENT 2019/20

PARTNERSHIPS AND COLLABORATION

We recognise the crucial role of partnerships in tackling Modern Slavery. In the past year, we have continued, or built, partnerships with the following organisations:

- Institute for Human Rights and Business 'Leadership Group for Responsible Recruitment' focusing on the Employer Pays Principle
- Ethical Trading Initiative
- Consumer Goods Forum Social Mission on Forced Labour
- British Retail Consortium
- SEDEX
- Food Network for Ethical Trade
- Spanish Ethical Forums
- Stronger Together – awareness raising how to spot signs of Modern Slavery, and how to approach Modern Slavery in supply chains in UK, South Africa and Spain
- Gangmasters Licensing Authority (GLAA)
- Issara Institute
- Unseen Modern Slavery helpline and Business Portal
- Responsible Recruitment Toolkit



NEXT STEPS

We regularly review our practices and policies to ensure we have the most effective responses to prevent and remediate any negative impact on human rights and prevent all forms of Modern Slavery in our operations and supply chain. We will continue to:

- Train our colleagues to raise awareness of our Corporate responsibility.
- Train suppliers and assess their ability to detect and mitigate modern slavery risks.
- Strengthen our network of supply chain intelligence, to build supplier capacity, and to work with leading forced labour experts on bespoke due diligence audits.
- Identify risks regarding recruitment practices of third-party labour providers in M&S operations and supply chains.
- Integrate any learnings from Covid-19 into our future strategy.
- Identify and use opportunities for collaboration to verify and help resolve risk issues.

MODERN SLAVERY STATEMENT 2019/20

TIMELINE OF ACTIVITY

Year	Our Activity
2016	Sponsorship of Unseen Modern Slavery helpline offering the general public the opportunity to report a suspicion, get help or seek advice on any suspected UK modern slavery issue.
2016	Member of the Leadership of Responsible Recruitment and commit to remove recruitment fees throughout our business and supply chains by 2025.
2016	Member of Spanish Ethical Trade Forums.
2016	Membership of Consumer Goods Forum Social Mission on Forced Labour.
2017	We extended the map to cover our homeware and beauty product manufacturers.
2017	We began to disclose additional information on our approach to auditing and audit results within our Food and Household supply chain and Clothing & Home supply chain.
2017	We published our second Human Rights Report, from 2018 reporting was integrated into the annual report.
2017	Published annual Modern Slavery Statement.
2017	UK Modern Slavery conference for GNFR and UK suppliers.
2017	Launched Modern Slavery Toolkit for the supply base.
2017	M&S Property completed a full review of policy and process in relation to Modern Slavery and delivered training to key members of staff.
2017	Conducted due diligence on our onsite car washes using the Fast Forward methodology. No Modern Slavery found.
2017	We supported the scaling of Stronger Together Initiative to South Africa launching it at our joint December 2017 conference with Woolworths South Africa.
2018	Became a signatory of the Garment Public Private Protocol.
2018	Published annual Modern Slavery Statement.
2018	Held a Conference in India.
2018	EMENA Modern Slavery conference for Clothing and Food suppliers.
2018	Conducted due diligence on contract cleaners using the Fast Forward methodology. No Modern Slavery found.
2018	Using the output from the 2018 UK survey of the Fresh Produce industry where we identified 11 diverse types of recruitment channels that are being used and a range of potential costs incurred by workers.
2019	Research extent of migrant contract labour in Indonesia, in the Clothing & Home supply chain.
2019	Publish annual Modern Slavery Statement.
2019	Held a conference in Turkey.
2019	Governance Structure updated to further embed Modern Slavery as a risk in all our operations.
2019	Founder of the Responsible Recruitment Toolkit with 6 other retailers.
2019	Consultation member for ETI new 2020 Strategy focussing on Human Rights Due Diligence approach.
2019	Founding Sponsor of Stronger Together Spain.



Steve Rowe, Chief Executive

May 2020

M&S

EST. 1884

¹[Footnote]: Updated March 2021. It has been brought to our attention that this was published without a date and a signature in error. No other changes have been made to the document.