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Plan A \ 2025

PLAN A 2025
COMMITMENTS

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M&S
EST. 1884



AN AMBITIOUS CUSTOMER FOCUSED SUSTAINABILITY PLAN

INTRODUCTION

Our customers' world is changing fast. They are living through a period of great political, social and technological disruption. They're looking for organisations they can trust to offer leadership, now and in the future. Marks & Spencer has been at the forefront of social change for 133 years, and we're determined to play a leading role in the years ahead: helping to build a sustainable future by being a business that enables our customers to have a positive impact on wellbeing, communities and the planet, through all that we do.



WE'VE ALREADY HELPED TO REDEFINE THE ROLE OF BUSINESS IN SOCIETY.

We started our Plan A journey ten years ago. Since then we have substantially improved our social and environmental performance, whilst also saving more than £750 million in costs and winning more than 240 awards.

We've done this by setting bold goals and integrating Plan A deep into our business processes, whilst simultaneously ensuring strong governance and independent assurance. We've built partnerships with communities, councils, charities, NGOs and businesses (including our competitors) to collectively solve problems and scale-up solutions. We've also begun to understand just how different M&S will need to be in the future to continue satisfying our customers' evolving needs and to become a truly sustainable business.

But if there's one lesson we've learnt above all others, it's the importance of humility. Even though we've completed 296 individual commitments, we've learnt just as much from the 21 commitments we've failed to deliver. We've started a journey to build a sustainable business, but we are still a long way from completing it. This sense of restlessness inspired us to update Plan A in 2010 and again in 2014.

NOW WE'RE PUSHING FORWARD AGAIN

Now we're rebooting Plan A again – restating our ambition to lead and adding even greater urgency. The past ten years have shown us that change is possible and we're optimistic that change can deliver better outcomes for customers, communities and the planet. Our update to Plan A is driven by two basic dynamics: first, the sheer scale of the global socio-economic and environmental challenges confronting us all; second, the speed at which our customers' lives are changing.

WE'VE FOCUSED ON ALL THE BIG SOCIAL AND ENVIRONMENTAL ISSUES

The world is warming faster than we imagined even a few years ago. The pressure on oceans (plastic pollution and depletion of fish stocks) is increasing. Corporate performance on human rights and related issues such as modern slavery is under closer scrutiny. People are demanding greater transparency about where and how we source products. The Paris Climate Agreement and UN's 17 Sustainable Development Goals challenge government and business to imagine a very different future. And a 'Fourth Industrial Revolution' is sparking unprecedented technological innovation, which could become an incredible force for good, but could also present new challenges for society and the planet.

WHAT CUSTOMERS HAVE TOLD US

Customers now define themselves more in terms of attitude than age. We can help them get the most out of life, no matter how young or old they are.

They want more meaningful connections with other people and with the world around them.

They want us to make it easier for them to do the right thing and make a difference.

They're increasingly aware of injustice, particularly at a local level and these issues are the ones customers also feel empowered to tackle.

They expect that businesses will be highly scrutinised to ensure they do the right thing – but also hope that retailers will use their power to promote wider changes for good in society.

Our customers value quality – they really care about how products are made.

We must thank our external Plan A Advisory Board, chaired by Jonathon Porritt in helping us understand this rapidly changing world. The collective wisdom of Forum for the Future, Business for Social Responsibility, Oxfam, WWF and the Wellcome Trust has been enormously helpful as we've addressed these changes and developed Plan A 2025.

The scale of this change is so significant that iterative improvements are no longer enough. Business needs to find a new way to satisfy customer needs, one that is good for the individual but also equally good for the planet and communities too.

WE'VE LISTENED CLOSELY TO OUR CUSTOMERS

Our customers' lives are changing too. And as always, we must keep pace with their needs and expectations.

We've sought the views of more than 750,000 customers and in particular, their attitudes, hopes and fears for the future, to help inform our new strategy.

We believe our customers and society more broadly do care about the future. But most people feel that the issues facing our planet are too big, too distant and too difficult for them to influence personally. They expect big business, government, NGOs and other organisations to tackle these issues on their behalf.

We believe there is an untapped need in society for businesses to do more than merely re-assure in a distant paternalistic way. We believe there is a desire amongst people for a very different approach to business. Trust is becoming one of the most important building blocks of a successful business. It is no longer enough for a company to hope or assume it is trusted, it must offer society a clear, measurable 'social dividend' to earn and retain people's trust.

If we don't fulfil this need for a more purposeful approach to business, we run the risk of losing our customers' confidence, of declining relevance in a rapidly changing marketplace, and of failing to develop new sustainable products and services.

Plan A 2025 is integral to the M&S brand and our promise to our customers – to make every moment special. We recognise that no M&S product or service can ever be 'special' unless it embodies our unwavering commitment to have a positive impact on wellbeing, communities and the planet.

I believe the targets set out in Plan A 2025 will enable us to meet the future demands of our customers. It sets bold social and environmental goals, crucially complemented by a desire to engage all our customers, colleagues, suppliers and business partners in our sustainability journey. It's our plan for the future. A future in which a truly sustainable M&S can, in partnership with our customers and other stakeholders, have a positive impact in all that it does.



STEVE ROWE CHIEF EXECUTIVE OFFICER



AN AMBITIOUS CUSTOMER FOCUSED SUSTAINABILITY PLAN

OVERVIEW

Ten years ago, we launched Plan A. We made 100 commitments to tackle five big issues – climate change, waste, resources, fair partnerships, and health. These issues are still as relevant as ever. They're the beating heart of Plan A. Plan A 2025 strengthens our commitment to address these issues with 100 bold new targets. Crucially, it forces us to address questions to which we don't yet have answers, but must address if we are to become a truly sustainable retailer.

WE LISTENED TO OUR STAKEHOLDERS

Changing customer needs and expectations have helped to define Plan A 2025, but the plan is also informed by the insights of many other stakeholders.

We commissioned GlobeScan to ask stakeholders how they expected retail to evolve and about their expectations of M&S. We received more than 300 responses to our global survey, which we shared widely across M&S. Our Sustainable Retail Advisory Board then helped us to shape Plan A 2025, providing guidance throughout its 12-month development period.

WHAT'S DIFFERENT ABOUT PLAN A 2025?

We have achieved a lot with Plan A over the last ten years but we need to accelerate our work in our own operations, supply chains and with our customers too. Even for a plan as ambitious as Plan A it's clear that 'steady as she goes' is not enough given the scale of wellbeing, community and planetary challenges we face. Nor is it enough to race ahead alone, we'll fail if the rest of the business community and the policy ecosystem within which it operates does not change too, so we have to continue to build bigger and bolder partnerships to affect collective change.

So more ambition, more pace and more scale all define Plan A 2025. What does not change is our determination to be the retail leader globally in sustainable business.

Having listened to our stakeholders and reviewed the most recent scientific insights we have made several very important changes with Plan A 2025. In particular, by 2025 we want:

1. To be the world's leading retailer on engaging and supporting customers in sustainable living

Our customers want us to help them live more sustainably and we've made good progress over the last ten years, for example via Shwopping, our clothes recycling campaign, through our charity partnerships with Breast Cancer Now and Macmillan Cancer Support, and by growing our healthy food ranges. However, there is much more we can do and Plan A 2025 will see us fully integrate sustainability into our brand and deliver a step change in the way we engage and support our customers. This will be achieved through new products and services, through even stronger community partnerships, and by providing advice and incentives on areas such as healthy living. We have set bold targets, such as 50% of our food sales coming from healthier products by 2023, and we will work with the 5.7m members of our Sparks club to incentivise them to make more sustainable choices.

2. To help 10 million people live happier and healthier lives

We have worked hard on many aspects of wellbeing in the last decade, but now we are bringing this work together so we can offer our customers and colleagues one integrated package

of support. We will extend the work we've done on our food products to our clothing, home and beauty offers too. We will have a particular focus on addressing issues of mental wellbeing, ensuring people are connected and happy as well as physically healthier. We will also work hard to ensure we support our customers and colleagues with cancer, heart disease, dementia and mental health issues.

3. To help transform 1000 Communities

We have a long tradition of our stores, offices and warehouses supporting their neighbouring community. In Plan A 2025 we are going to bring together these many individual activities to ensure that our stores are able to help play a transformative role in the communities we serve, many of which face enormous challenges. Starting in 10 communities (Birmingham, Bradford, Derry-Londonderry, Glasgow, London Borough of Newham, Liverpool, Merthyr Tydfil, Middlesbrough, Norwich, Rochdale) we are going to undertake a range of activities to identify how our stores and people can make a positive and measureable difference to their neighbourhood. We'll rollout this approach to a further 100 communities by 2023 and then share any transformative learning with the other 1000 communities we serve.

4. To champion Human Rights by taking a lead on addressing in-work poverty, modern day slavery and an inclusive society

Plan A 2025 sees a decisive step change on social issues. We have worked hard to manage ethical compliance over the last decade, but now we're setting more aspirational goals to respect and positively impact individual human rights in all that we do. Over the past twelve months we've improved our approach to human rights significantly, culminating in the recent Corporate Human Rights Benchmark scoring us as the best apparel and food business. Now we want to build on this position through an important new collaboration with Oxfam and by taking a lead on tackling issues such as in-work poverty and the living wage, modern day slavery and social inclusion.

5. To ensure 100% of our products address 100% of their material social and environmental impacts

We have an existing commitment that every one of the 3 billion food, clothing, home and beauty products we sell every year has at least one Plan A attribute by 2020. An attribute being, for example, MSC certified fish in a ready meal or FSC certified timber in furniture. We believe it's vital that Plan A should apply to everything we sell and not be a niche 'ethical range' in the corner of a store. Today, 79% of our products have a Plan A attribute – putting us well on the way to our 2020 goal. However, we are now extending this commitment so that by 2025 every one of our products will have Plan A attributes that address every single one of its material social and environmental impacts. For example, covering the key raw materials, factory, use and disposal stages in a product's lifecycle. This will put all our products well on the path to being truly sustainable.

6. To ensure 100% of factories are on a sustainability ladder with 50% of our products coming from the very highest Gold Standard

Currently, every factory that supplies M&S food is on a Bronze/Silver/Gold sustainability ladder to drive measurable improvements in its social and environmental performance. For example, Silver factories need to have reduced energy use by 20% and regularly use a staff survey to improve staff satisfaction. We've previously had a goal that by 2020 100% of the food we sell should come from Silver rated factories and have made good progress with 56% now validated as Silver, 70% of supplier sites sending zero waste to landfill and 54% having reduced their water and energy use per tonne of production in the last 12 months. Now we are upping our target for food suppliers to 50% of the food we sell coming from Gold ranked factories by 2025, with 95% of the remainder achieving Silver standards (note, there are always new factories joining our supply chain and some will need time to progress to Silver then Gold standards). Crucially, we are now making the same commitment for factories producing our clothing, home and beauty products as well as factories and suppliers to our Property Division. By 2025, every factory producing products for us will be systemically improving its environmental and ethical performance.

7. To ensure our 50 key raw materials (80% by volume of what we use) come from a sustainable source

Many of the raw materials we use today come from more sustainable sources. For example, 100% of the coffee and tea we sell, 99% of the wood, 100% of the fish and 47% of the cotton. With Plan A 2025 we are extending our commitment to a much greater range of the raw materials we use. We are setting a goal that 100% of the key raw materials we sell will come from sources respecting people, communities, planet and animal welfare. These key raw materials will represent at least 80% by volume of the raw materials used in our business. As a retailer selling 35,000 unique product lines we use thousands of different raw materials but a few dominate. For example, in our food supply chain, 40 key raw materials make up more than 80% of the raw materials we use. So it's important we focus on the raw materials where we have the scale to make a real difference. Raw materials we will be addressing include sugar, cocoa, fruit, vegetables, cotton, wool and leather.

8. To set a science-based target to accelerate our shift to a low carbon business

In 2007, when we launched Plan A we had 29 targets to tackle climate change. Since then we've led the way in becoming more efficient, reducing our absolute operational carbon footprint by 70% and making our global operations carbon neutral to accelerate climate action. The new plan includes a bold new (approved) science-based target to further improve the efficiency of our own operations as well as cutting 13.3m tonnes of CO₂e from our wider value chain. We will also continue to invest in carbon offsets for our own operations to in order to remain carbon neutral.

9. To be a circular business generating zero waste

Since 2012, we have been zero waste to landfill across our own operations in the UK and Republic of Ireland. Plan A 2025 sets a bold new goal to be a zero waste business across all that we do – our operations, our supply chains and of course when our customers come to remove packaging and use our products. This includes designing our products and packaging to underpin the creation of a circular economy in the markets we serve.

10. To be a leader on transparency

Over the past 12 months we have published digital transparency maps identifying all the factories that produce food, clothing, home and beauty products for us. With Plan A 2025, we'll add information on the raw material sources we use and also translate this into 'on product' information to help guide our customers' decision making.

This is just a snapshot of the key changes we'll be making and importantly, we will be rolling them out across our franchise partners to encourage and support them to make progress.

We are very clear that with Plan A 2025 we want to set a course to being a truly sustainable business – one that is low carbon, circular, restorative, committed to wellbeing, equality and fairness in all that it does.

WHAT STAKEHOLDERS HAVE TOLD US

M&S can play a bigger role in enabling more sustainable, healthy lifestyles.

Plan A 2025 must focus on our customers and be integrated into the brand purpose.

There are big opportunities to be explored in the circular and sharing economies.

We must continue to focus on incorporating sustainability in our supply chain. Key issues include living wage, conserving water and improving communities. We should also focus on more sustainable packaging.

We should use our significant physical retail presence to play a greater role in connecting initiatives at a local level.

We should increase collaborations, partnerships and advocacy to ensure the M&S voice is heard more clearly.

We're expected to be transparent and are encouraged to talk even more frankly about the challenges we face and our failures.

Plan A 2025 must set a consistent direction of travel – towards becoming a truly sustainable retailer for example – but will also need to evolve in response to a changing world.

Responsible companies should develop social and environmental targets that support the overall aims of the UN Sustainable Development Goals.

THE 3 PILLARS OF PLAN A 2025



NOURISHING OUR WELLBEING

We believe that taking care of ourselves is the first step to helping the people around us.

Our goal is to help 10 million people live happier, healthier lives.



TRANSFORMING LIVES AND COMMUNITIES

We believe we can achieve more together than we can on our own.

Our goal is to help transform 1000 communities.



CARING FOR THE PLANET WE ALL SHARE

We believe that we should leave the planet better than we found it.

Our goal is to become a zero waste business.

HEADLINE PLAN A 2025 TARGETS

- By 2019, we'll incentivise and reward our customers for making healthier choices.
- By 2022, 50% of our global Food sales will come from healthier products.
- By December 2018, M&S single serve portion sizes of snacks, confectionery and ice cream will contain no more than 250 calories.
- Between 2017 and 2025, we'll help to make a positive difference to people who are affected by either cancer, heart disease, mental health, loneliness or dementia by helping to raise £25m for charities that support these causes.
- By 2022, we'll enable our M&S colleagues worldwide to complete a health risk assessment, including health checks, where appropriate. We'll use this data to tailor our interventions/advice and report annually on progress.
- By 2020, in ten locations we will have completed programmes that aim to secure meaningful economic, social and environmental benefits in the communities around our stores and beyond. We'll build on our insights and roll out programmes in 100 further locations in the UK and internationally by 2023, then share our learnings with 1,000 locations by 2025.
- By 2025, 50% of our full line M&S operated stores and offices in the UK will have space available for community groups, charities and local interest groups to use.
- Between 2017 and 2025, we'll support M&S colleagues worldwide to provide one million hours of work-time community volunteering.
- By 2025, we want all edible surplus food from M&S stores, key franchises and direct Foods suppliers worldwide to be diverted for human consumption.
- We'll enter into a new collaboration with Oxfam over 3 years focusing on the UK and India to develop a deeper understanding of the connection between our sourcing practices and our human rights impacts. Oxfam will report the findings independently, whilst M&S will develop a programme of actions and report annually on our progress from 2018.
- Between 2017 and 2025, our Global Community Programme will benefit one million people in our supply chain communities by working in partnership with others to help build livelihoods, protect the environment and improve wellbeing focusing on our areas of biggest human rights and environmental impact.
- By 2020, 100% of M&S products will have at least one Plan A attribute and by 2025 every product will have attributes which address all priority social, ethical and environmental impacts.
- By 2022, all M&S product packaging in the UK that could end up with our customers will be not only 'recyclable', but 'widely recycled'. To achieve this, we will actively collaborate with others to bring about changes in local government recycling policy. By 2022, we will also assess the feasibility of making all M&S plastic packaging from one polymer group, which will help maximise the use of recycled content.
- By 2025, the 50 key raw materials used for M&S products will come from sources verified as respecting the integrity of ecosystems, the welfare of animals and the wellbeing of people and communities. This will cover over 80% of M&S raw material usage by volume.
- By 2025, we'll halve net food waste relative to sales from M&S operated and franchised locations worldwide against a newly established baseline.
- By 2030, in line with climate science, we aim to reduce greenhouse gas emissions from M&S operations worldwide by 80% compared to 2006/07, on route to a 90% reduction by 2035.
- By 2030, in line with climate science, we'll reduce our indirect greenhouse gas emissions from upstream and downstream sources by at least 13.3 million tonnes.



PILLAR 1

NOURISHING OUR WELLBEING

The world faces a growing wellbeing challenge including an ageing population, obesity and mental illness. Pressure is growing on traditional national and local government healthcare systems to deal with the scale, cost and complexity involved in meeting these challenges.

We believe we can inspire our customers to be the best they can be and play a role in helping society tackle the wellbeing challenge.

During the first ten years of Plan A, we've done a lot to address physical health – in particular, diet and nutrition through our food products. In 'Count on Us' and 'Balanced for You' we have the two biggest healthy food brands in the UK. We've introduced a range of nutrient-enriched products and successfully promoted our Eat Well range of products. Our long established partnerships with Breast Cancer Now and Macmillan Cancer Support are well supported by our customers and colleagues.

WE CAN DO MORE TO NOURISH WELLNESS

Work done by the New Economics Foundation, identifies five ways to achieve personal wellbeing (Connect, Be Active, Keep Learning, Take Notice and Give) and highlights the opportunity that customer-facing brands and retailers have to support wellbeing.

We can do a lot to support wellbeing through our products – and not just food, but also clothing, home and beauty. We are aiming to offer the healthiest food products, with a goal of 50% of our food sales to come from healthier products,

supported by rewards for customers for purchasing them. We will make sure the healthy option is the delicious, easy to find one too. We will also offer food products tailored to specific health conditions.

We will always offer our customers choice and this will include indulgent food too – we all like a treat every now and then, but we'll do it against a backdrop of increasing support and insight for individuals on the implications of these choices.

We see opportunities in clothing, home and beauty products to inspire customers to be more physically active and spend time outdoors in the natural environment.

We know our customers and colleagues want support as well as products and services that can enhance wellness. So, we'll offer them the best advice and wellness tools available – and go the extra mile to support them when they or their loved ones are facing life-changing illnesses such as cancer or dementia.

We'll also take a lead in improving mental wellbeing. It's well established that taking care of others is one of the best ways to

improve one's own wellness, so we'll inspire colleagues and customers to get involved in volunteering, with a particular emphasis on facilitating social connections.

At the heart of all of our work will be a commitment to help colleagues embrace wellbeing themselves and support our customers by becoming wellbeing ambassadors. We know from listening to colleagues and suppliers that we need to widen our definition of wellbeing beyond the physical and take into account mental, emotional and financial factors. We also need to find ways to support an increasingly diverse, and in some areas, ageing workforce. We will also have a careful, more data-driven approach to colleague wellbeing. And we won't stop with our own employees: we'll reach out to support our suppliers, encouraging them to bring the same commitment to approximately two million people participating in our supply chains around the world.

WE'LL WORK IN PARTNERSHIP TO CHAMPION WELLNESS

To achieve our wellness commitments, we'll build on longstanding partnerships with organisations including Breast Cancer Now and Macmillan Cancer Support.

We'll also build new relationships with other organisations.



TAKING A LEAD ON MENTAL WELLBEING

Having listened to our customers and colleagues it is clear that improving people's wellbeing is more than just improving their physical health. They believe mental wellbeing is just as important. We'll use our scale and brand profile to positively champion mental health with customers, employees, and people in our supply chains.

In 2014, we were the first retailer to sign the Mind and Rethink Mental Illness 'Time to Change' pledge on tackling mental health stigma in the workplace and supporting the annual Time to Talk Day campaign.

We have made good progress in changing the conversation because of senior leadership sponsorship, a business wide awareness campaign 'Mental Wellbeing Week' and practical support tools. We've seen the power of peer-to-peer employee support groups and now we want to upskill everyone in our business to support customers and colleagues. We're offering training on mental health to M&S colleagues in our offices, stores and warehouses



worldwide. And we're building health and wellbeing learning and support into our employability programmes worldwide. We're not stopping with our employees; we want to extend this approach to our suppliers so they can reach approximately two million people in our supply chains.

As a trusted retailer with millions of personal connections every day in store we believe we are ideally placed to make a significant contribution to the wellbeing of our customers. In 2016, Ruby Wax approached us to trial her concept of Frazzled Café – a meet up for people who want to talk about their mental health. Her vision was to host Frazzled Café in a public space that was accessible and made it acceptable to talk about not being ok. We are now

making more of our store space available for initiatives like Frazzled Café and peer-to-peer support groups. In particular, we'll join forces with partners to offer support to tackle mental health, loneliness, and dementia.

NOURISHING OUR WELLBEING COMMITMENTS

1.1 We'll provide our customers with industry-leading products and services to help them live more healthily

- By 2019, our indulgent M&S food categories will have 20% fewer calories, saturated fat and added sugar in total compared to 2017.
- By December 2018, M&S single serve portion sizes of snacks, confectionery and ice cream will contain no more than 250 calories.
- By 2022, 50% of our global Food sales will come from healthier products.
- By 2020, we'll have grown a comprehensive range of vegetable-based protein convenient meal solutions and components for cooking.
- By 2020, we'll rationalise our number of Health Brands and simplify our on pack messages in order to maintain M&S Foods being the destination of choice for healthy food for our customers as shown by the overall results from nutritional benchmarking, number of healthy products within a category and market trends analysis.
- By 2025, 20% of all M&S clothing will have a special Plan A health or wellbeing attribute (e.g. SkinKind™ accessories and specialist/adapted clothing).
- By 2019, we'll incentivise and reward our customers for making healthier choices.

1.2 We'll offer the very best wellbeing knowledge and support

- Between 2017 and 2025, we'll help to make a positive difference to people who are affected by either cancer, heart disease, mental health, loneliness or dementia by helping to raise £25m for charities that support these causes.
- By 2021, we'll work with our franchise partners to remove confectionery from tillpoints in all key franchise partner operated M&S stores worldwide (excluding petrol station forecourts).
- By 2020, we will extend our health and wellbeing advice to our customers to help them live happier healthier lives.

1.3 We'll improve the health & wellbeing of our colleagues and of people working in our supply chains

- By 2019, we'll launch an independently benchmarked retail industry leading health & wellbeing framework providing support to M&S colleagues worldwide on physical and mental health as well as nutrition and wellbeing.
- By 2022, we'll enable our M&S colleagues worldwide to complete a health risk assessment, including health checks, where appropriate. We'll use this data to tailor our interventions/advice and report annually on progress.
- By 2022, health and wellbeing learning and support will be included in all our employability programmes worldwide.
- By 2022, we'll offer training on mental health to M&S colleagues in our offices, stores and warehouses worldwide.
- By 2019, we'll define our expectations on nutrition and physical and mental wellbeing for our franchise partners and direct suppliers and by 2022 launch a range of initiatives, including health checks where appropriate, to enable them to tailor their interventions and advice. We'll report annually on progress.
- We will continue to report on our UK and ROI Health and Safety data and extend to owned international operations from 2020.





PILLAR 2

TRANSFORMING LIVES AND COMMUNITIES

The world has seen tremendous social progress in the past seventy years. Hundreds of millions of people have been lifted out of extreme poverty. But significant inequalities remain in terms of income, gender, sexuality and social mobility. Pernicious human rights abuses, such as modern day slavery, lurk beneath a veneer of 21st Century respectability. Communities can be fragmented and individuals living in them isolated. New technologies such as artificial intelligence and robotics are changing the nature of work and impacting on job security.

We believe that a successful economy is entirely dependent on a successful society. If M&S and other businesses are to thrive, we need to be at the heart of an economy that's fair and inclusive for all.

WE'VE BEEN WORKING WITH COMMUNITIES FOR DECADES

For decades, M&S stores globally have helped their local communities. In the last ten years we've helped more than 17,000 disadvantaged people gain work experience through our Marks and Start and Make Your Mark programmes, in the UK, Greece, Malta, France and India. As a business, we've supported colleagues' efforts to fundraise and volunteer for local charities. Our Food halls donate surplus food via the Neighbourly platform.

We've also worked to make our stores, website and products more inclusive, accessible and safe for all. For example, we've worked with Disabled Go to provide guidance to anyone living with a disability about how accessible our stores are.

WE WANT TO PLAY A BIGGER ROLE IN IMPROVING LIVES AND COMMUNITIES

Our customers and colleagues have told us that their local area matters to them – and they expect us to play a leading role at a local level while also using our national scale to achieve wider change.

Our aim is to help play a transformative role: enabling local economies to thrive, building socially connected communities, and improving local environments. By 2025 we want to have helped 1000 communities transform themselves.

This doesn't mean we won't move or even close stores. Inevitably, an estate of over 1300 shops around the world that has been built up over a 100 years needs to be refreshed as shopping habits and town centres change. But it does mean that wherever we trade we'll work our very hardest for that community and in those instances where we do have to move we'll do it with respect and consideration for those affected.

We'll maintain existing programmes and launch new ones – whether that means offering community groups space in our stores or supporting local entrepreneurs.

We're going to increase our efforts to be a more inclusive employer and to offer our customers a more inclusive shopping experience.

We'll strengthen our commitment to managing human rights for example, through a new formal collaboration with Oxfam. Our aspiration is to tackle in-work poverty and encourage the payment of a living wage in our supply chains and in our partners' businesses. We'll continue to take a lead on difficult and emotive issues such as forced labour where criminals prey on the vulnerable. And we'll help our suppliers transform communities around their factories and farms too, ensuring that M&S suppliers are a force for good globally.

TAKING A LEAD ON TRANSFORMING COMMUNITIES

Over the last 3 years we have been working with Business in the Community (BITC) to support their Healthy High Street programme, which brings together retailers, councils and community groups to work in partnership to improve 100 high streets across the British Isles.

This work opened our eyes to the depth of social and environmental challenge that many communities face, but also showed us the potential for concerted business action to support them. We want all our stores to be a force for good in their local community, playing a key role in helping to transform them for the better. We cannot solve all the world's ills, but we believe that by taking a more

systematic approach to utilising our resources, skills and networks we can play a much more transformative role in the neighbourhoods we serve.

Our initial focus is on the UK and we've used the Legatum Prosperity Index to identify communities that we can support and mapped them against our store estate. We have identified ten communities (Birmingham, Bradford, Derry-Londonderry, Glasgow, London Borough of Newham, Liverpool, Merthyr Tydfil, Middlesbrough, Norwich, Rochdale) where we are going to undertake an extensive trial on how we can act in this transformative way. Working with local groups we're going

to create a baseline for each community, identifying its current social and environmental challenges and then trial seven activities over the next two years to see which make the most measurable difference and which are most relevant to us. These activities will focus on thriving local economies, socially connected communities and healthy environments for people to enjoy. We'll then use these insights to plan how we'll help transform a further 100 communities and share the learning with the wider 1000 communities we serve around the world to help them transform too.

TAKING A LEAD ON HUMAN RIGHTS

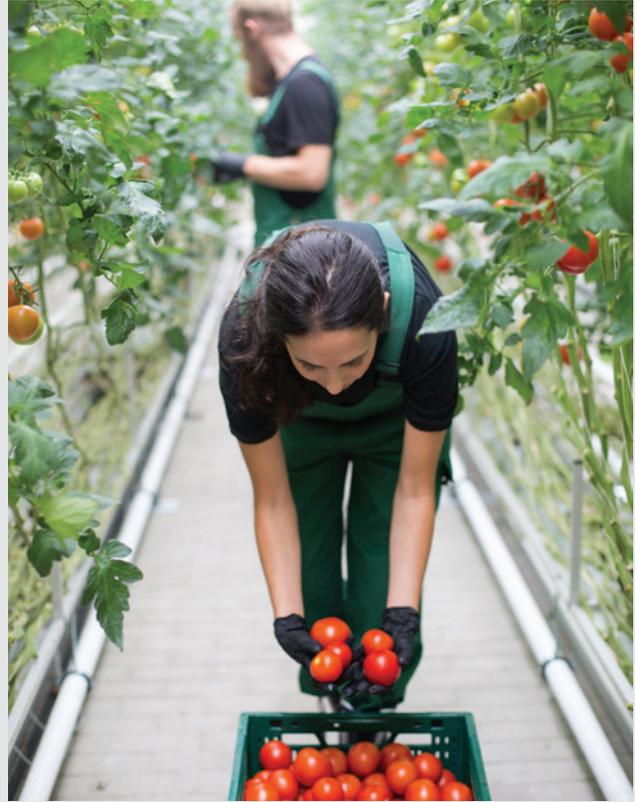
Over the last 12 months we have systematically improved our approach to protecting human rights. We are shifting our emphasis from ethical compliance to manage business risk, to putting individual's human rights at the core of what we do. We have improved our policies, processes, training and transparency with the result that the recent Corporate Human Rights Benchmark ranked us as the leading food and apparel, respectively, business in the world on human rights.

Now with Plan A 2025 we'll be going further with the aim of being the retail leader in addressing modern day slavery and decent work, tackling in-work poverty and fostering an inclusive society.

On modern day slavery and decent work we will take a lead on scaling-up responsible recruitment and management of third party labour providers, plus encouraging more effective workplace representation. We will increase the number of people we help through our Global Community Programme to one million by 2025 and we'll encourage the factories we use to put people positively at the centre of all that they do.

To address in-work poverty we will carry out a detailed review on the potential causes across our supply chains and operations. We'll aim to pay a living wage for all our direct employees and champion the payment of a living wage in our supply chains too.

To help create an inclusive society we'll pay particular attention to women's human rights, and develop an inclusion strategy for our whole value chain from field to factory to store. We'll make sure that our workforces and management teams reflect the diversity of the regions where they are located. And we'll monitor pay gaps and tackle any we find.



TRANSFORMING LIVES AND COMMUNITIES COMMITMENTS

2.1 We'll enable people to connect with each other and help deliver a better future for the communities we touch

- By 2025, 50% of our full line M&S operated stores and offices in the UK will have space available for community groups, charities and local interest groups to use.
- Between 2017 and 2025, we'll support M&S colleagues worldwide to provide one million hours of work-time community volunteering.
- By 2020, we'll launch an education programme in the UK in partnership with others to promote the importance of health and wellbeing, employability and sustainability in schools and colleges.
- By 2025, we want all edible surplus food from M&S stores, key franchises and direct Foods suppliers worldwide to be diverted for human consumption.
- Between 2017 and 2025, we aim for M&S operated and key franchise stores worldwide to make a positive difference to their local community by supporting local charities through fundraising, volunteering and product donations.
- By 2020, in ten locations we will have completed programmes that aim to secure meaningful economic, social and environmental benefits in the communities around our stores and beyond. We'll build on our insights and roll out programmes in 100 further locations in the UK and internationally by 2023, then share our learnings with 1,000 locations by 2025.
- By 2019, 200 of our retail managers will have taken a lead role in collaborations which aim to revitalise and secure lasting social benefits in city and town centre locations.
- By 2019, we'll launch an annual Community Business Competition to support and recognise local community entrepreneurs who bring positive benefits to society. We'll report annually on progress.
- By 2019, we'll launch a strategy to support growing artisan and smallholder producers in the M&S Food supply chain.
- Between 2017 and 2025, our Global Community Programme will benefit one million people in our supply chain communities by working in partnership with others to help build livelihoods, protect the environment and improve wellbeing focusing on our areas of biggest human rights and environmental impact.
- By 2019, we'll develop an approach for calculating and accounting for the financial and non-financial support enabled by M&S and the associated benefits to society. We'll then measure and report on our performance on an annual basis.
- We will report annually on our community donations and amounts raised with support from customers and suppliers.
- By 2025, M&S Energy will help at least 200 communities to reduce their carbon footprint through the installation of renewable energy generation or energy efficiency measures, including battery storage.

2.2. We'll develop a truly inclusive business and supply chain

- By 2022, we'll undertake regular benchmarking to ensure we have the most accessible and inclusive retail proposition in store and online. We'll aim to extend this approach to our international locations from 2023.
- Between 2020 and 2025, we'll implement new Inclusive Design Standards to ensure M&S Food and Clothing & Home products and packaging are accessible to and usable by as many people as possible. These new Inclusive Design Standards will be created by a detailed review to be published in 2019.
- By 2019, we'll launch an independently endorsed retail industry leading inclusion strategy that is locally relevant for our business, franchise partners and supply chain.
- By 2025, we want M&S workforces to reflect the diversity of each region in which we operate. We'll report on progress from 2019.
- By 2022, we aim to have 50% female and at least 15% BAME (black, Asian, and minority ethnic) representation on the M&S senior management team.
- By 2022, we aim for our Food and Clothing & Home first-tier manufacturing sites to have 25% women in management positions.
- By 2019, we'll help advance women's human rights and combat gender discrimination by launching programmes and initiatives that promote gender equality and women's empowerment in our business and supply chains.
- By 2020, we'll measure the socio-economic and educational background of our global M&S employee base and established a target to improve our social mobility by 2025.
- We'll aim to reduce the non-demographic gender pay gap within M&S in the UK (this is the gap adjusted for different gender demographic by grade and the impact of disproportionately high female numbers in our retail operation) by at least 10% by 2020 and by 25% by 2025 compared to 2017.
- By 2020, we'll extend our UK pay gap monitoring and reporting to include ethnicity, disability and age (where known) and will take action to close any gaps.

2.3. We'll help people into work and give them the skills they need to progress in the future

- From 2019, we'll undertake regular research to understand the current and future labour market skills gaps for our business. We'll then provide an annual update on our actions.
- By 2020, we'll complete collaborative research into the likely employment impacts of next generation technologies. We'll then provide an annual update on our actions to prepare our people for the future, whether they work for M&S or other employers.
- By 2019, we aim to have an employability programme in all countries where we have M&S operated stores and will report on our progress of launching programmes in countries where we have franchised stores.
- Between 2017 and 2025, we aim to offer 25,000 Marks & Start work placements worldwide to people from disadvantaged parts of the community with 50% going into work and 50% of these retaining work for at least 12 months.

2.4. We'll respect human rights in our business and supply chains

- We'll enter into a new collaboration with Oxfam over 3 years focusing on the UK and India to develop a deeper understanding of the connection between our sourcing practices and our human rights impacts. Oxfam will report the findings independently, whilst M&S will develop a programme of actions and report annually on our progress from 2018.
- By 2019, we'll work with others to review and implement ethical assessment methodologies that drive better outcomes for workers in our supply base and report annually on our progress.
- By 2019, we'll put in place mechanisms to make human rights complaints or raise concerns, which are accessible to all individuals and communities connected with our business. From 2020, we'll report annually on the use and performance of these mechanisms.
- We will further our work to eradicate modern slavery. By 2018, we will report annually on scaling-up responsible recruitment and better management of third-party labour providers as well as our progress towards ensuring no worker pays for a job.
- By 2020, we'll carry out and publish a review of the effectiveness of workers' representation arrangements for enabling improved workers' rights, within our Food and Clothing & Home first-tier manufacturing supply chain. We'll develop a programme of actions and report annually on our progress.
- From 2018 we'll run Reward Forums for key franchise and third party operators to set out our approach to delivering higher rates of pay in the UK based around paying the living wage in a sustainable way.
- By 2019, we'll carry out and publish a detailed review of our potential impact on in-work poverty and develop a programme of transformative interventions to improve livelihoods in our business and supply chains, enabling progress on our living wage commitments and demonstrating sector leadership. We'll report annually on progress.
- By 2020, all workers in our first-tier Food, Clothing and Home manufacturing sites will have the opportunity to be paid digitally.
- By 2025, we'll aim for a living wage, for all our direct employees as set by us and reviewed by credible stakeholders in a way that is sustainable for M&S and demonstrate how we've encouraged our key franchises and direct supply chains to do the same.
- By 2019, we'll develop and launch a mechanism that enables all M&S Foods suppliers and raw material suppliers to report transparently on their experience of working with M&S and for M&S to report on steps taken to improve score.





PILLAR 3

CARING FOR THE PLANET WE SHARE

The natural environment is under increasing pressure as the world's population grows and consumption increases. Although great progress has been made in raising awareness on climate change, the science indicates that we all still need to accelerate our efforts to create a low carbon future. We are also seeing worsening air pollution, deforestation, species decline and ocean degradation.

No company can hope to prosper in a world where we continue to plunder resources and pump CO₂ into the atmosphere at the rate we are today. Supply chains are being disrupted. Raw material quality and cost is becoming more volatile. Transparency is raising society's awareness of today's unsustainable approach to business. At the same time, the policy framework for protecting natural resources is becoming more uncertain.

WE'VE MADE SUBSTANTIAL IMPROVEMENTS TO OUR ENVIRONMENTAL FOOTPRINT

Today, 99% of the wood and all of the fish M&S uses comes from a more sustainable source. Over 50% of the food we sell comes from a silver sustainability factory. We send no waste to landfill from our stores in the UK and Republic of Ireland, have reduced our operational carbon footprint by 70% in absolute terms and made our global operations carbon neutral.

NOW WE WANT TO DO EVEN MORE

We know we must build a business that is low carbon, circular and restorative. Not in 50 years, but over the next 10-15 years. And we know we cannot do this alone. It is impossible for us to achieve these high ambitions without the rest of the economy changing around us too.

We're aiming to make our entire business model zero waste – not just our own operations but also our supply chains and our products too, putting circular thinking at the heart of our business model. This is a bold goal, one that will demand that we simplify the materials we use, help create markets for recycled materials, build partnerships to give

products and packaging a second life and launch new types of business model.

On climate change we will accelerate our work to reduce greenhouse gas emissions across every aspect of our value chain – in our operations, supply chains and customer's homes – so that we can say that we are a truly low carbon business.

Sustainable raw materials have always been at the heart of Plan A and now we're committing to ensure that 100% of our key raw materials (at least 80% of the total volume we use) in food, clothing, home and beauty products will be verified that they respect the integrity of ecosystems, the welfare of animals and the wellbeing of people and communities.

We'll also build on the work we've already done to make sure every M&S product we sell (approximately three billion items each year) has a Plan A attribute by 2020 (79% so far) with a commitment to ensure every item has attributes relevant to each of its material social and environmental impacts by 2025.

We want to ensure that our customers can be proud of the social and environmental story behind every product we sell and that we're transparent about where and how they were produced.

WE WILL WORK IN PARTNERSHIP TO TACKLE THE BIG CHALLENGES FACING THE NATURAL WORLD

We'll form alliances and be more vocal about the need for change. We're already involved in many partnerships to tackle the natural world's biggest challenges. We've worked with WWF for more than 10 years to improve sustainable sourcing in global markets, and we're supporting the Ellen MacArthur Foundation's work to build a New Plastics Economy globally – helping to close the loop on the tens of millions of tonnes of plastic that enter the global marketplace each year. The Consumer Goods Forum (CGF) is our platform for tackling three critical environmental challenges: deforestation (driven by the sourcing of commodities such as soy and palm oil); low carbon refrigeration; and food waste.



TAKING A LEAD ON CLIMATE

We have worked hard in the last decade to become more efficient, procure renewable energy for our operations and become the only major retailer in the world to be carbon neutral. This in turn has accelerated climate action in some of the poorest parts of the world. In Plan A 2025 we are increasing the scale and pace of this work but importantly we are bringing it together to begin to create a low carbon business.

We have made 16 new climate commitments. Many of these are an extension of existing work, rightly building on our long term, systemic commitment to reduce our operational carbon footprint in lighting, refrigeration, heating and logistics. There are commitments to maintain and extend our position to purchase 100% renewable electricity and to remain carbon neutral globally. Important affirmations of our long-term commitment to be at the heart of building a low carbon future. We've also added in a new goal to stop the air freight of clothing and home products in our logistics supply chain.

But we recognise that our own carbon footprint is the smallest part of our value chain carbon footprint, dwarfed by the impact of our supply chain and customer use of our products. That's why we've set a new (approved) Science Based Target (SBT) that also aims to take 13.3 mt of CO₂e out of our value chain by 2030. This will be activated in part through our wider goal that 50% of our products are produced in factories meeting our Gold Factory Sustainability standard (at least 35% improvement in energy efficiency and their own supply chain's carbon footprint mapped) as well as commitments to prevent food waste.

We will also have to innovate to transform all elements of our business model to low carbon. So we are undertaking research into issues such as the protein content of the diet that people eat. We will be using our farm environmental indicators work to set future targets for farming including on carbon. And we will be implementing a programme to improve soil health.

Finally we recognise the linkages across Plan A 2025, with our M&S Energy

business supporting community groups who want to undertake low carbon work, from efficiency improvements to village halls to the installation of local decentralised low carbon energy production. As part of our plan to transform 1000 communities we will help at least 200 with their low carbon journey.



TAKING A LEAD ON CIRCULAR ECONOMY

We have set a simple but bold goal – to be a zero waste business across all that we do. That's not just in our own operations, where, in the UK and Republic of Ireland, we already send zero waste to landfill, but also in our supply chains and our customer's homes.

We will be ensuring that all the packaging we put on the market is easy to recycle. We'll be working with our customers to reduce food waste in their homes as well as making sure that every piece of food unsold in our stores at the end of the day

goes to human consumption. At the moment no surplus food from M&S operated UK and Republic of Ireland stores goes to landfill, virtually all is processed using Anaerobic Digestion to generate electricity. Now even that will be replaced by ensuring it's all sold at markdown to customers or colleagues or donated to local food banks.



For our Clothing and Home business we're building on our work through Shwopping (encouraging customers to donate clothing they've finished with to Oxfam) to make it much more circular too. We will be launching repair services, using 25% recycled material in at least 25% of the clothing we sell by 2025. And crucially we'll be developing Circular Economy Standards to ensure our clothing and home products are all made to last and can be reused and recycled in the most effective way possible.

Just as with climate action, we'll be using our commitments on products and factories to systemise our circular economy ambition. Setting product attributes. Defining Bronze/Silver/Gold standards for food, clothing, home, beauty and property suppliers/factories will all take into account circular principles.

CARING FOR THE PLANET WE SHARE PILLAR COMMITMENTS

3.1 We will source and operate to the highest sustainability standards

- From 2018, we'll report on our use of animal welfare and environmental outcome-indicators for fresh meat, farmed fish, poultry, fresh milk and laying hens. We'll use this data to shape future production standards and drive a continual improvement culture across our farm supply base.
- By 2019, we'll develop and publish an independently endorsed, retail industry leading, sustainable product design toolkit for M&S Food and Clothing & Home products and subsequently report on its implementation.
- By 2019, in collaboration with our suppliers and other partners, we will carry out and publish a detailed review of the potential for adopting restorative/regenerative agricultural practices aimed at improving soil organic matter, sequestering carbon and reducing the dependency on artificial inputs within our Food supply base. We'll then provide an annual update on our actions to implement.
- By 2022, we'll implement independently endorsed retail industry leading standards on animal welfare for Clothing & Home products.
- We'll source 100% of cotton from sustainable sources by 2019 and by 2025 will aim to have increased the proportion of Fairtrade, organic and recycled sources to 25%.
- By 2025, the 50 key raw materials used for M&S products will come from sources verified as respecting the integrity of ecosystems, the welfare of animals and the wellbeing of people and communities. This will cover over 80% of M&S raw material usage by volume.
- By 2020, 100% of M&S products will have at least one Plan A attribute and by 2025 every product will have attributes which address all priority social, ethical and environmental impacts.
- By 2025, at least 25% (by volume) of M&S Clothing & Home products will be made using at least 25% reused or recycled material.
- By 2025, all key products and materials used for construction fit out, shop fit, marketing décor and visual merchandise in our UK and ROI stores, offices & warehouses will have Plan A attributes that address all priority social, environmental and ethical impacts.
- By 2020, at least 95% of M&S food (by volume) will come from factories that achieve Silver level on our Food Sustainability Scorecard and by 2025 at least 50% will be achieve Gold level.
- By 2025, at least 50% of M&S Clothing & Home products (by volume) will come from factories that achieve Gold level on a new Clothing & Home Sustainability Scorecard and 95% of other factories have achieved at least Silver.
- By 2025, for our M&S Clothing & Home products, we'll only use dyehouses, printers, laundries, tanneries, and finishing facilities that meet credible independent standards of environmental and social sustainability.
- By 2025, at least 50% of all our major UK and ROI direct property suppliers will achieve Gold level on a new Property Sustainability Scorecard and 95% of our other major UK and ROI direct suppliers will have achieved at least Silver.
- By 2019, we'll develop a credible methodology for measuring the water efficiency of our textile and garment wet processing and set targets for reduction by 2025.
- By 2020, we'll implement a programme to put in place water stewardship plans for our most material and at-risk watersheds in our Food and Clothing & Home supply chains.
- Building on the substantial progress we've already made, and in recognition of forest protection as part of climate change mitigation, we're aiming to ensure zero deforestation from the use of palm oil, soy, cattle, wood and wood derived materials in the production of M&S products by 2020.
- By 2021, we'll strengthen our Forever Fish Programme by rolling out global best practice crew welfare and responsible fishing management, and demonstrating our advocacy for protecting the marine environment.

3.2. We'll achieve a zero waste business and value chain

- By 2025, we'll have reduced total waste from M&S Property activities (including packaging) in the UK and ROI by 50% against a newly developed baseline and will recycle at least 95% of waste that's produced.
- By 2025, 95% (by weight) of equipment and other fit-out materials arising from UK and ROI store refresh/refurbishment projects will be reused.
- We'll maintain zero waste to landfill for M&S operations in the UK and ROI and extend this to our M&S and key franchise operations worldwide by 2025.
- By 2022, all M&S product packaging in the UK that could end up with our customers will be not only 'recyclable', but 'widely recycled'. To achieve this, we will actively collaborate with others to bring about changes in local government recycling policy. By 2022, we will also assess the feasibility of making all M&S plastic packaging from one polymer group, which will help maximise the use of recycled content.
- By 2020, we plan to reduce food waste in our UK stores by 20% per sq ft against 2013/14. In addition, we will review opportunities to donate an increased amount of food to charities.
- By 2025, we'll halve net food waste relative to sales from M&S operated and franchised locations worldwide against a newly established baseline.
- By 2022, we'll introduce a range of repair services for M&S Clothing & Home products.
- Between 2020 and 2025, we'll implement new Circular Economy Standards to ensure that M&S Clothing & Home products are made to last and can be reused or recycled in the most effective way. These new Circular Economy Standards will be documented in a detailed review to be published in 2019.
- By 2019, we'll develop a digital strategy and campaign to engage customers on the value of food.
- By 2022, we'll introduce messaging and implement relevant design changes to our top 10 most wasted food products (as defined by WRAP) to help our customers prevent food waste in the home.
- Between 2017 and 2025, we'll help customers around the world give clothes a second life, by facilitating the collection of at least three million garments a year for reuse and recycling.

3.3. We'll cut emissions in line with climate science and become a low carbon, climate resilient business

- By 2030, in line with climate science, we aim to reduce greenhouse gas emissions from M&S operations worldwide by 80% compared to 2006/07, on route to a 90% reduction by 2035.
- By 2020, we aim to improve energy efficiency in M&S operated stores, offices and warehouses in the UK and ROI by 50% compared to 2006/07, rising to 60% by 2025.
- By 2020, we aim to improve energy efficiency in M&S operated international stores & warehouses outside of ROI by 30% compared to 2013/14.
- By 2025, we aim to improve fuel efficiency for M&S Clothing & Home deliveries to store in the UK and ROI by 40% by 2025 and 60% by 2030 compared to 2006/07.
- By 2025, we aim to improve fuel efficiency for M&S Food deliveries to store in the UK and ROI by 40% by 2025 and 60% by 2030 compared to 2006/07.
- By 2025, we aim to reduce refrigeration gas carbon emissions by 80% in all M&S operated stores in the UK and ROI.
- By 2030, we aim to replace HFCs in refrigeration systems in all M&S operated stores in the UK and ROI.
- By 2025, we'll deliver 50% of our UK property estate peak-energy demand flexibly, using clean and renewable technologies.
- Between 2017 and 2035, 100% electricity purchased for M&S operated stores, offices and warehouses worldwide will be classified as renewable.
- By 2025, all gas procured for M&S operated stores, offices and warehouses in UK and ROI will be certified bio-methane.
- We'll maintain carbon neutrality for our worldwide operations up to at least 2025. We will develop a strategy to ensure that by 2022 participants of our supply chain can benefit from our carbon credit purchases.
- By 2019, we'll establish a new partnership to increase our understanding and definition of sustainable animal protein and report about the action we take to implement our findings.
- By 2025, we'll install building fabric solutions in 20 stores at high risk of climate-related weather events, to improve our resilience to climate risks.
- By 2022, all of our strategic Food suppliers will be required to have implemented a ten-year strategic climate mitigation and adaptation plan.
- By 2030, in line with climate science, we'll reduce our indirect greenhouse gas emissions from upstream and downstream sources by at least 13.3 million tonnes.
- By 2022, we'll end the use of air freight for Clothing & Home products.

3.4 We'll be open and transparent and inspire customers to live more sustainably

- We'll become even more transparent about how we operate. We aim to add further Food and Clothing & Home supply chain details by 2019 and details of raw materials suppliers by 2022. We'll ensure all information can be easily viewed by our customers in store or online worldwide by 2025.
- By 2019, we'll develop and launch a mechanism enabling products that meet certain sustainability criteria to be clearly labelled, helping customers worldwide identify these products in store or online.
- By 2022, we'll incentivise and reward our customers for making more sustainable choices.

We've set bold ambitious targets for the future.

Now we're focusing on enabling the business to deliver them.
We can't do it alone we'll need to continue to work in partnership
and we'll continue to report annually on our progress.

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