

8th July 2013

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DRAFT: M&S response to BIS Consultation on Corporate Responsibility

Question 1: What more could Government do to encourage a greater number of companies to adopt internationally recognised principles and guidelines in their own corporate responsibility policies? How might Government, in a light touch way, measure this take-up?

We support the adoption of a new UK approach to Corporate Responsibility (CR) in line with EU's October 2011 definition of 'the responsibility of enterprises for their impacts on society'. We believe that companies should be supported through 'light touch' legislation to make principles-based, stakeholder-informed Board decisions about managing and reporting their material CR impacts. In the majority of cases, CR information is best communicated to target audiences outside of the Annual Report which is aimed at providers of financial capital (shareholders).

There are a large number of useful frameworks available including the international UN Global Reporting Initiative, Global Compact, International Integrated Reporting Council draft framework and Consumer Good Forum Sustainability Activation Toolkit. There are also national sustainability frameworks such as Business in the Community's Corporate Responsibility Index and sector plans such as British Retail Consortium's 'A Better Retailing Climate'. The UK Government also publishes guidance and requirements on sustainability such as Defra's Environmental Reporting Guidelines and revision to the UK's Corporate Governance Code.

There are also a wide range of sustainability certification standards such as the ISO 14000 environmental management series, EMAS, BSI Public Available Specifications, ISO50001 on energy management , ISO 26000 on sustainability, OHSAS8001 on health & safety, 'Investors in People' and NVQ accreditation for training and SA8000 for workplace social compliance.

A wide range product certifications are also available including mandatory energy labelling and voluntary schemes covering environmental performance (EU Eco-label, and organic etc) , recyclability (UK On Pack Recycling Label scheme), nutritional values for food, and the sustainability of fish , wood , coffee, tea, peat and cotton etc.

In short, there is a huge range of standards, guidance and frameworks available, most of them are voluntary and these have been available for over a decade. Government can help to raise awareness of these resources.

Question 2: Should Government encourage more sector-specific initiatives and, if so, how might it do that? Do different sectors need different levels of Government support and involvement?

Yes. The Government should encourage all major sectors to adopt a common sustainability framework such as the one (A Better Retailing Climate) developed for the retail sector by the British Retail Consortium (BRC). This approach is particularly valuable where issues of competition (both legislation and corporate concerns) would otherwise prevent open collaboration. However, as with the BRC framework, reporting of progress is conducted by sector and not disaggregated by company.

Sector specific initiatives can help to define and address materially important issues, promote collaboration and provide the scale that is often required to make improvements. We participate in a large number of sector specific initiatives; including the Government funded Sustainability Clothing Action Plan and food supply chain Courtauld Commitment and Product Sustainability Forum.

Question 3: Are comparable, voluntary metrics on social and environmental aspects desirable? What might be the costs and benefits of this? What role should Government play in determining what these metrics might be and how might we encourage more businesses to adopt them?

Comparable metrics are desirable but are unlikely to be achieved on a voluntary basis. Common metrics are also unlikely to address materiality important sector impacts which by their nature are sector/business model specific.

Government can consult to define any further CR impacts (in addition to GHG emissions and gender diversity) which are considered sufficiently important to all organisations that they require a common approach through legislation.

However, we would urge caution about extending this type of externally imposed materiality which is counter to the development of a Board-led principles based approach.

Question 4: How might businesses demonstrate that the information they voluntarily capture and present is externally verifiable? What might be the costs and benefits of this?

We believe that decisions on assurance need to be taken by individual companies with regard to the views of their stakeholders. CR data is generally used to show the existence of a process and the direction of progress but the scale of absolute figures are rarely material.

Marks & Spencer commissions independent assurance of key CR data. We have integrated these costs into our processes and believe that it is beneficial to M&S and other users of the data.

Question 5: How might companies' best manage their supply chains more effectively? How might Government help with this?

UK competition law currently creates significant barriers to greater collaboration on supply chain management and should be reviewed.

Supply chains are often complex and global. Many CR responsibilities also reside with other companies within the supply chain and with enforcement authorities across the world.

The key elements of effective supply chain management are;

- Traceability (knowing whose involved),
- Transparency (monitoring performance) and
- Compliance (ensuring standards are adhered to).

A number of Government initiated programmes such as the Ethical Trading Initiative, Courtauld Commitment 3 and Sustainable Clothing Action Plan are already helping to improve supply chain management.

Question 6: Should companies be obliged to be more responsible for actions within their supply chain? If yes, how could this be achieved without legislation? What would the costs and benefits be?

We believe that in the longer term, EU stewardship legislation as enacted by the EU Timber Regulation may offer an effective legislative model for ensuring legal compliance other social and environmental impacts. However, this is recent legislation and needs to be evaluated after at least two years of operation.

Compliance with national CR legislation resides with actors within the supply chain. In addition, companies will also require compliance with their own 'voluntary' standard as well as legislation.

There are already a wide range of collaborative voluntary initiatives including the Ethical Trading Initiative, Courtauld Commitment and Sustainable Clothing Action Plan to promote improvements in the supply chains.

Question 7: How might Government best support small business to adopt responsible business practices? What particular challenges does Government face in trying to achieve this? How might it overcome such challenges?

Many SME retailers belonging to the British Retail Consortium have stated that they have found the 'A Better Retailing Climate' sector sustainability plan useful in identifying and measuring their own key CR impacts. Government should continue to support the development of these sector plans.

Question 8: How might Government help SMEs publicise their responsible business behaviour?

Question 9: What role does larger business have in supporting smaller business? Is there an imperative for larger businesses to support smaller businesses? How might Government enable this?

Larger business can support smaller business by providing assistance and guidance through schemes such as our Supplier Exchange. We also recognise achievement through a series of Plan A awards presented at our annual Plan A Supplier Conference- this year with a keynote speech from Al Gore. Large business can also require compliance with social and environmental standards within their procurement processes.

Government can continue to support initiatives that promote cross industry collaboration such as WRAP's Courtauld Commitment, Product Sustainability Forum and the Sustainable Clothing Action Plan.

Question 10: What are the main barriers to businesses contributing more to social outcomes?

M&S tries to be responsive to as many current social needs as possible. However, the agenda of social priorities is volatile and expansive. A company attempting to address too many issues at the same time will lose the scale and impact of its actions. Similarly, some sectors will specialise in certain types of community investment such as volunteering, donations of products, engaging customers or pro bono consultancy as appropriate to their industry and business model.

We have recently announced a major new programme to address youth unemployment in the UK. This is in addition to existing programmes addressing issues of employment for people with disabilities, health, diet, recycling/ waste, marine conservation and international aid. However, in selecting these impacts we had to decline support for other important causes such as request from Government to aid UK Food Banks.

Government should encourage companies to contribute to social outcomes but be cognisant that this will rightly take many different forms.

Question 11: What more could Government do to make it easier for businesses to support social initiatives? How might Government showcase innovative approaches that others might consider adopting?

There are already a wide range of organisations available to assist companies such as Business in the Community. Government can help to ensure awareness their services.

Question 12: How might the relationship between business and society be strengthened? How might Government support this?

M&S has formed a series of social partnerships in order to 'deliver' our community programmes including Business in the Community, Oxfam, WWF, Breakthrough Breast Cancer, Macmillan Cancer Support, Prostate Cancer UK, Shelter and Fairtrade. Government can help to ensure awareness of organisations such as Business in the Community.

Question 13: Is there any comment you wish to make on UK business and human rights generally?

Question 15: What more can Government, business and others do to improve information available to consumers who want to take ethical considerations in to account? Does this differ between sectors?

We believe that there already a wide range of initiatives and programmes addressing consumer information (see answer to Q.1). If anything, this is resulting in information overload.

Whilst UK consumers continue to have a strong interest in CR issues, they currently have other economic priorities. Many are still keen to become involved in initiatives that are easy to access and rewarding,

Consumers have a very limited interest in accessing performance data and instead rely on independent arbiters to communicate performance in the form of comparisons and benchmarks.

Some consumers will seek out specific CR information about products in order to make informed decisions but there are practical limits on the number and outcomes that can be achieved through labelling. The M&S strategy is to work towards normalising good CR credentials across all our products through our target for all items to have at least one Plan A (CR) quality by 2020.

Yours Faithfully

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Sustainable Development

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