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Response to the consultation on GHG reporting

Marks & Spencer is one of the UK's leading retailers of high quality clothing, food and homeware.

In 2007, we launched our Plan A sustainability programme which was revised in 2010 and includes 33 targets to reduce greenhouse gas (GHG) emissions and address climate change. To date, we have succeeded in reducing our own GHG emissions by 13% in absolute terms despite business growth. This is equivalent to a 25% reduction on a like-for-like basis.

We adopted the international WRI/ WBCSD GHG Reporting Protocols in 2007 and have followed Defra/DECC Reporting Guidelines since their launch in 2009, this data independently assured. We also report GHG emissions via the Carbon Disclosure Project (CDP), British Retail Consortium's 'A Better Retailing Climate' as well as a range of other stakeholder benchmarking schemes.

Marks & Spencer supports the introduction of mandatory Scope 1 and Scope 2 UK GHG reporting for large organisations (option 3). We believe that in line with international protocols, flexibility is required on the choice of boundaries, decisions to assure and whether to include overseas operations.

We believe that mandatory GHG reporting will provide more complete disclosure of GHG emissions and management in place of the proposed flawed CRCEE league tables. CRCEE league tables will only include energy usage in buildings measured in kWhs and expressed as averaged carbon figures. This excludes important sources of GHG emissions and other form of reduction such as investment in renewable supplies and offsetting.

Government needs to make UK reporting of emissions simpler and more consistent with international approaches. This should include less frequent updates of carbon conversion factors (currently averaging twice a year), should not retrospectively adjust previous years and must allow for the legitimate use of 'green' tariffs to support market growth in renewable generation.

Our detailed responses to the questions posed in the consultation are detailed below:

Mandatory or voluntary?

International WRI/ WBCSD GHG Reporting protocols were first launched in 2001. These have formed the basis on the Defra/DECC GHG Voluntary Reporting Guidelines launched in 2009. The

international Carbon Disclosure Project of investors encouraging companies to report GHG emissions has also been in operation for eight years.

As such, we believe that those organisations inclined to report voluntarily have now done so. We support the introductory of mandatory GHG reporting under **Option 3** for all large companies. Ideally this should also apply further to all large organisations and Government should take the lead in adopting this approach.

Organisational boundaries

In line with international GHG reporting protocols, companies should have the flexibility of choosing the most appropriate definition of boundaries based on operational control, financial control or equity share. M&S has adopted operational control for its reporting.

However, we believe that the reporting of overseas operations should remain voluntary until there is greater international consistency on the approach to calculating carbon conversion factors. Most countries, for example, allow the inclusion of 'green' tariffs to count as legitimate GHG reductions. Lower national grid averages for carbon emissions in some countries will also make operations misleadingly appear more efficient in comparison with the UK.

Gases to be reporting

Yes- we support the proposal to report all six gases covered by the Kyoto protocol. M&S reports on all six gases expressed as tonnes of CO₂e.

Activities to be measured and reported

Yes- we support the proposal that Scope 1 (direct) and Scope 2 (in-direct) GHG emissions should be reported as a minimum. Companies must retain the flexibility to report on Scope 3 (value chain) emissions based on their significance and the availability of data. M&S also reports on Scope 3 emissions for business travel and waste disposal.

Emissions factors

Yes- we support the proposal to report using Defra/ DECC emission factors. These factors should be updated less frequently (currently averaging twice a year), should not retrospectively adjust previous years and must allow the legitimate use of 'green' tariffs to support market growth in renewable generation. M&S uses Defra/ DECC carbon factors and makes all retrospective adjustments.

What a company should report

We agree that emissions by scope (1, 2 and 3 where selected) and total (1+2+3) in tonnes of CO₂e should be reported. As with financial information, this should be set against performance in the previous year or against a nominated baseline year. Carbon intensity measures (emissions set against an index of growth) can be useful measurements for showing progress and should be recommended though left voluntary. Similarly, many stakeholders find energy usage data (expressed in kWh) to be a useful measurement of business efficiency for some sectors (including retail) and this too should be recommended though left to be voluntary. M&S currently reports GHG data against a pre-Plan A baseline year of 2006/07 and includes a carbon intensity measurement of tonnes CO₂e/ 1000 sq ft of salesfloor.

Assurance and verification

Companies must retain the flexibility to ensure that data is a 'true and fair view' of the company's activities. We do not believe that assurance should be mandatory. M&S currently chooses to have GHG data independently assured.

Yours faithfully

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Plan A/ Sustainable Development

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