

Below is the Code of Ethics that Marks & Spencer employees are expected to adhere to. All employees have access to this document, the policies, principles, guides and employee handbook referenced throughout.

This document has not been amended for external publication.

MARKS & SPENCER

Code of Ethics

INTRODUCTION

Our Code of Ethics - How we behave

At Marks & Spencer we're committed to doing the right thing for our customers, colleagues, shareholders, suppliers, the environment and our local communities. Our Code of Ethics outlines the behaviours that M&S upholds as a Company and expects from you to make sure we conduct business with the highest standards of honesty and integrity. The Code describes key Company policies and procedures and reminds us of behaviours that are unacceptable. Finally, it sets out how you can raise your concerns.

Why is this important?

Our [Brand Values](#) of Quality, Value, Service, Innovation and Trust distinguish our products and services. Trust is earned from others as a result of our commitment to long held values and the ethical manner in which we behave. We all have a responsibility to protect the Company's reputation in everything we do and say. This includes:

- Complying with the law in the UK and all other countries in which we operate;
- Following Company policies and procedures;
- Acting in a professional manner with honesty and integrity at all times;
- If in doubt...doing the right thing!

What do I need to do?

Working at M&S puts you in a position of trust and responsibility. Make sure you read, understand and act in accordance with the Code and the various policies it refers to – there could be consequences if you don't (see page 5). If you require more information, refer to your [Employee Handbook](#) and the [People Guide](#) or speak to your line manager. Report any suspected wrongdoing through the available channels (see page 6). Senior managers sign their acceptance of the Code each year and make sure it is understood by employees in their areas.

How do we keep you informed?

Every year the Board reviews the Code of Ethics to keep it up-to-date and we re-issue it to colleagues by email and store briefings. We want you to understand why it is important and what is expected of you and we welcome feedback on the Code. We also keep you informed on changes to Company policy through our [Business Involvement Groups](#) (BIG), the Company's network of elected employee representatives (see page 2). Through the BIG network we all have an opportunity to positively influence the business we work in.

SECTION ONE: BEHAVIOURS

The following section provides an overview of our approach with key stakeholder groups.

Customers

M&S values the loyalty and confidence of our customers above all else. We will never compromise the safety of our customers and will always strive to live up to and offer the highest possible standards of Quality, Value, Service, Innovation and Trust. We will always try to make sure our labelling, advertising and other forms of communication are clear, honest and accurate and we will always work to respect cultural and ethical beliefs. We welcome customer feedback and try wherever possible to act on it to continually improve the service we offer. We make sure any complaints are handled fairly and professionally within appropriate timescales. Information

that we hold about our customers will be handled properly and responsibly. It is our responsibility to protect confidential, sensitive information when handling other people's personal data.

Colleagues

All M&S colleagues work hard with the common aim of serving our customers. We are committed to an active [Equal Opportunities Policy](#), from recruitment and selection, through training and development, appraisal and promotion, right up to retirement. We treat everyone equally regardless of age, gender, gender reassignment, colour, ethnic or national origin, disability, hours of work, nationality, religion or belief, marital or civil partner status, disfigurement, political opinions or sexual orientation.

We treat all colleagues with dignity and respect and expect colleagues to treat each other and our customers in the same way. We all have a responsibility not to indirectly support unfair behaviour by ignoring what is happening around us. It is Company policy to promote an environment free from discrimination, harassment, and victimisation where everyone will receive equal treatment. All decisions relating to employment practices will be objective, free from bias, and based solely on work criteria and individual merit. In every set of circumstances we aim to find the 'best fit' between personal requirements and business needs.

As a company, M&S is committed to provide clear, honest and accurate communication directly to colleagues. Through the [BIG network](#) the Company informs, involves and consults with colleagues as set out in the BIG constitution. You have the chance to voice your opinions and ideas, get answers and have your views represented when the business considers changes that affect you.

We care about your wellbeing and provide [Occupational Health Services](#) to all employees accessible via your line manager or the People Guide and a 24 hour confidential employee '[Live Well Work Well](#)' helpline on 07659 145671. The health and safety of our employees will not be compromised. Ongoing training and development will be provided to enhance your career opportunities either within the Company or elsewhere.

The Company recognises the importance of respecting your privacy and the need for appropriate safeguards in relation to the collection, storage and processing of personal data. We expect that information held about us will be dealt with properly and responsibly. It is everyone's responsibility to handle information properly.

You must never knowingly provide false information to the Company or about the Company to anyone else. You must never use the Company's name or resources for personal gain or insider knowledge to profit from buying or selling Company shares. The work and ideas that are created whilst working for the Company are owned by M&S.

Shareholders

M&S is owned by the individuals and organisations that invest in our shares. We are focused on building a sustainable business for the long term, generating shareholder value through consistent, profitable growth. We keep honest and accurate records of our performance, and are committed to transparent reporting. As an integral part of planning and review we have an ongoing process in place for identifying, evaluating and managing the significant risks to achieving business goals. A detailed report on governance is set out for shareholders in our annual report which is available on our website at marksandspencer.com/thecompany.

Suppliers

M&S sources products from around the world, respecting third party rights and design integrity so we can provide customers with the best quality products at competitive prices. We work in partnership to make sure all our suppliers comply with the requirements of our [Global Sourcing Principles](#) and over time adopt the recognised international standards contained in the Ethical Trading Initiative Base Code. We also work with suppliers to make sure we adhere to the highest standards of animal welfare, sustainable fishing and farming. We do not give or accept improper payments or gifts in order to conduct business anywhere in the world. We agree the terms of supplier payments at the start of business and pay in accordance with our contractual obligations.

Environment

M&S is committed to the principle of sustainable development which underpins our 'eco plan', [Plan A](#). The natural environment provides all the raw materials we need to operate our business. We have a responsibility to current and future generations to use natural resources in a responsible manner and to prevent unnecessary pollution. We include environmental considerations in our decisions and specifications. We publicly report on our environmental performance every year in our how we do business report which is available on our website at marksandspencer.com/thecompany.

Development of Legislation and Political Engagement

M&S participates in the democratic political process in a consistent and transparent manner. We lobby for effective legislation and regulation directly and through key trade associations. Where our views differ significantly from our trade associations on issues that are important to us we will make these known. We do not give

donations to political parties or incur EU political expenditure. Colleagues requesting paid time off to participate in public duties, eg to carry out duties for a local authority or participate in local or national politics, must follow the Company's [Public Duties and Political Donations Guide](#).

Charitable Donations

M&S commits at least one percent of pre-tax profits to initiatives that benefit the community. These donations will be given according to Company policy and will not be used to gain improper influence. More information about our charitable donations can be found on our website at marksandspencer.com/howwedobusiness

SECTION TWO: COMPANY POLICIES AND PROCEDURES

The following section describes key Company policies and procedures. It also sets out some specific examples of behaviours that M&S deem to be unacceptable. The Employee Handbook refers to general policies and procedures that you must follow – a copy is available on the People Guide (on the intranet) and on store notice boards. Detailed policies and guidelines are contained in the M&S Standards and Performance section of the People Guide. Your line manager can give further guidance on other policies and procedures relevant to your work area.

Confidential Business and Internal Company Information

Confidential business and internal Company information should only be used in the interests of M&S. Confidential information is defined as 'that which you know to be confidential, concerning the business or affairs of the Company or any other group Company or any of our customers or suppliers'. Internal Company information includes, but is not limited to, information relating to products, marketing promotions and policies. Confidential and/or internal Company information in any form should not be given to unauthorised colleagues or outside sources including but not limited to the press or media. Nor should anyone knowingly allow confidential and internal Company information to be used or divulged other than in the legitimate interests of the Company or our suppliers/contractors. This obligation applies even after leaving the Company, for as long as the information remains confidential and/or is not generally available to the public.

Information about future marketing or promotional activity, eg a Christmas Spectacular or brand launch, should never be disclosed in advance of being announced. Our communications are scheduled to give customers time to plan a shopping trip, without compromising our sales before the promotion starts, or giving our competitors an opportunity to damage our business. If information gets into the wrong hands it could affect our competitive advantage, cause financial loss, damage our reputation, or breach legal/regulatory requirements. Protect Company information by following the [Information Security Procedures](#).

Media and Investor Relations

The amount of press attention that M&S receives reflects the enormous public interest in our Company. It also presents an opportunity for us to work with and through the media to communicate with our customers and stakeholders. It is important that we work in a co-ordinated way, with one voice, to get positive coverage on our stores, products, people, and the contributions we make in our communities.

Handling the media in the right way requires sensitivity and skill if the media is to run balanced stories on the Company. Do not engage with the media unless trained and authorised to do so. We have an experienced Media Team who are responsible for providing support in any media dealings. To make sure we manage our media relationships professionally, to help make the most of these relationships, and to protect you and the Company, we have developed the Media Policy and Guidelines, for employees in [Head Office](#) and in [Retail](#).

The key principle central to these Guidelines is that if the call/contact in any way concerns Company figures, issues, or announcements, then the journalist's details should be passed immediately to the Corporate Media Team. The Company's shares are publicly listed on the London Stock Exchange. We must comply with the FSA Listing Rules and in particular, the principle to "communicate information to holders and potential holders of its listed equity securities in such a way to avoid the creation of a false market in such listed equity securities". The [Investor Relations Policies and Guidelines](#) set out the role of Investor Relations and your responsibilities in making sure the Company maintains this principle.

Insider Dealing

It is a criminal offence for anyone to deal in a company's shares if they have unpublished price sensitive information about that company. Companies listed on the London Stock Exchange are required to comply with the UKLA's Listing Rules and Disclosures and Transparency Rules. These Rules require colleagues who have access, through their roles, to unpublished and confidential information which is share price sensitive to comply with the Company's [Share Dealing Code](#). Colleagues who are covered by the Share Dealing Code will be notified and added to the Company's Employee Insider List.

Data Protection

The Data Protection Act 1998 gives individuals certain rights over the information held on them by companies. As an employee it is your responsibility to protect confidential sensitive information when handling other people's personal data, whether it relates to an employee or a customer. This applies to information held on computer or in manual filing systems from which they are identifiable. Beware of people trying to obtain information to which they are not entitled. Do not hold data about people unless approved by your line manager and always follow the Data Protection Principles which are available in the [Employee Handbook](#).

Computer Security and Use

If you have access to and use computers, you must follow Company policies and procedures aimed at protecting computer equipment, systems, networks and information. You will find detailed guidance on the use of computer equipment, email and the internet in the [Computer User Agreement](#) which is presented to you each time you log on to your computer. Failure to follow and adhere to this Agreement may result in disciplinary action up to and including dismissal. Deliberate or serious breaches may lead to criminal prosecution. Reduce the risk of theft, damage and unauthorised access to computer systems by following Company procedures. This applies particularly to portable equipment.

Social Networking Sites

The Company recognises that its employees may use blogs or social networking sites in their personal time, both in and outside of work. These sites can be a useful and fun way to keep in touch with friends and colleagues. You should be aware that information posted on these sites is public and may be viewed by colleagues, customers or the press. You have general obligations to act in the best interests of the Company, and not breach Company confidentiality or the relationship of trust and confidence that exists between you and the Company. This would include posting inappropriate comments on blogs and social networking sites. You are encouraged to consider carefully what you post and follow the [Social Networking Sites Policy](#).

Fire, Health & Safety

The Company has a responsibility under legislation to protect the health, safety and welfare of all colleagues, customers and contractors on our premises. You have a responsibility to follow procedures and take reasonable care of your own health and safety and the health and safety of others who may be affected by your actions or omissions eg customers, colleagues, visitors and suppliers. Refer to the Company Statement on [Health & Safety at Work](#) available on Health & Safety notice boards. Managers have a responsibility to make sure employees are aware of Health & Safety regulations and the need to report all accidents and dangerous occurrences to the appropriate person or department.

Smoking

All M&S buildings are smoke free. This means that smoking is not allowed anywhere on Company premises, in our goods vehicles, in-store vans, pool cars or in work cars. To protect the image and reputation of the Company, smoking is not allowed in areas visible to customers/visitors entering or leaving an M&S building. Please follow our [Smoke Free Policy](#).

Business Continuity

The Company has a [Business Continuity Policy](#) which makes sure we are prepared and equipped to continue business in the event of a crisis or disaster at any M&S location at any time. Each area has a Business Recovery Plan which sets out the processes to be followed locally to recover and restart business after a crisis or disaster affecting offices, systems and business processes. You have responsibilities and your line manager will advise you of these following a major incident.

Fraud & Financial Reporting

Fraud is deemed gross misconduct. Disciplinary procedures will be rigorously applied to any instances of fraud which will result in dismissal.

Fraud is defined in our [Group Fraud Policy](#) as the deliberate action by any person, or deliberately allowing an action to be taken, to create, falsify, destroy, deface, or conceal any account, balance, record or document, or impersonate, deceive, or misuse their position with the intention of:

- Obtaining money, assets, services, information or any other benefit which would otherwise be denied;
- Distorting personal or business performance;
- Causing a loss to the Company or another party (eg supplier, third party contractor, customer or employee);
- Prejudicing the Company's rights, competitive position or business reputation, or those of another party (as above); and/or
- Attempting or assisting in any of the above.

You must follow Company procedures when dealing with the Company's property, goods and cash. When dealing with financial transactions you must also follow Company policies, including [Invoice Authorisation Controls](#), [Non-Merchandise Contracts Approval Process](#) and [Group Investment Policy](#). When travelling and claiming expenses you must follow the [Business Travel Policy](#).

Improper Payments/Receipts

You may not offer or accept any payments, gratuities or gifts in order to obtain, retain or conduct business in any jurisdiction in which we operate. This includes any sort of facilitation payments, kickbacks or bribes. Do not allow suppliers to pay travel or accommodation expenses for you. Refuse entertainment unless the supplier is present and it is in the bounds of accepted business hospitality. When approved by senior management a gift of reasonable value may be made to a good supplier by way of thanks. However the gift should not be solicited, nor should an employee accept a gift in return.

You should not get involved in any business transactions that could result in personal benefit. You should not use your position as an M&S employee to get discounts from contractors/suppliers unless they are corporate agreed discounts notified and made available to all employees, or do personal business, unless expressly authorised by management.

Employee Discount

Employee discount is a benefit for employees and goods that are bought with discount (other than gifts) are for the use of the employee and their immediate family or partner living at the same address. You are responsible for the use of your M&S Employee Discount Card and must make sure you and your nominated user follow the Conditions of Use in the [Employee Discount Policy](#).

Conflicts of Interest

You should not put yourself in a position where you are involved in an activity for personal gain, to you or your family, which conflicts with the Company's interests. Conflicts of interest can take many forms including, but not limited to:

- Engaging in any activity that competes with M&S;
- Taking personal advantage of an opportunity that belongs to M&S;
- Engaging in a business relationship on behalf of M&S where you or a family member has an interest in the other party.

Innovation

As a term of your employment with M&S, the Company owns any inventions, discoveries, improvements, brands and designs you make during the course of your employment and all related intellectual property rights. The Company will be entitled to the exclusive use of these rights, as far as the law permits and you will have no right to use them for your own purposes unless otherwise agreed in writing. Copyright and similar rights in work created during your employment will also be owned by the Company and you agree to waive any moral rights you may have. It is also a term of your employment that you do everything necessary, during or after your employment, to enable the Company - at its request and expense - to obtain patents, design, copyright, trade mark and similar protection in any part of the world.

CONSEQUENCES

We all have a responsibility to protect the Company's reputation in everything we do and say. We want you to understand why this is important and what is expected of you. Failure to comply with Company policies and procedures will result in disciplinary procedures being applied that may result in your dismissal from the Company. In instances of fraud, where financial loss has been incurred, individuals will be prosecuted and the Company will seek to recover losses.

SECTION THREE: HOW TO RAISE YOUR CONCERNS

The final section of this Code of Ethics explains your responsibilities and how you can seek guidance or alert the Company to instances of potential wrongdoing that you are, or become, aware of.

Your Responsibilities

M&S aims to conduct business with the highest standards of honesty and integrity. We all share this aim in order to maintain the same standards. Any wrongdoing by the Company, its employees or other stakeholders should be reported.

We believe that it is essential to create an environment in which you feel able to raise concerns internally without fear of disciplinary action being taken against you as a result of any disclosure. Effective and confidential channels will be maintained to handle enquiries and conduct investigations as required.

The Public Interest Disclosure Act 1998 protects employees from dismissal or being disadvantaged, for example having disciplinary action taken against them when they report wrongdoing by their employers. If an individual reasonably believes that any of the following have occurred they will be provided protection under the Act:

- A criminal act;
- A failure to comply with a legal obligation;
- A miscarriage of justice;
- That the health or safety of any individual has been endangered;
- That the environment has been damaged.

The Act aims to promote greater openness between employers and employees in the workplace.

We believe that those who report wrongdoing should not be victimised.

How to Report Wrongdoing

You can make a difference by reporting any incidents or behaviours that are not in accordance with this Code of Ethics, or the policies to which it refers, through the following channels:

- Discuss the concern with your **line manager**. They have a responsibility to listen and respond to any matter that is of concern to you; or
- Contact the **senior manager** in your business unit/store or your **HR Manager** if the above course of action is not appropriate; or
- Raise the issue via the Company's **confidential employee helpline** (tel: 08000 150281 or in the Republic of Ireland: 1800 411 063). You can choose to remain anonymous if you choose this route.

For matters where it is not appropriate to raise the issue with the above, contact **Corporate Governance** (e-mail: company.secretary@marks-and-spencer.com).

If after reporting the matter the issue is still not resolved, contact the Director of HR who will make sure that a full and fair investigation will take place with a view to reaching a sensible and fair resolution of the issue.

There may be matters that cannot be dealt with internally and external authorities will need to become involved. Where this is necessary, the Company reserves the right to make a referral on your behalf without your consent.

The Company recognises that there may be some cases where no wrongdoing is found through internal procedures. Protection will be given and no disciplinary action taken, if the disclosure is reasonable, made in good faith and the information believed to be true. More information is given in the [Whistleblowing Guide](#).

REPORTING

The Audit Committee reviews arrangements by which employees may, in confidence, raise concerns about possible inappropriate activity such as financial misreporting or other matters. The Committee makes sure there is proportionate and independent investigation and appropriate follow up action. The Head of Internal Audit & Risk reports information on allegations and investigation results to the Audit Committee at least once a year.