

MARKS & SPENCER

MODERN SLAVERY STATEMENT 2017

This statement has been published in accordance with the Modern Slavery Act 2015. It sets out the steps taken by Marks and Spencer Group plc and other relevant group companies¹ (“M&S”) during year ending 1 April 2017 to prevent modern slavery and human trafficking in its business and supply chains.



**M&S IS A GLOBAL
MULTICHANNEL
RETAILER**

**85,000 EMPLOYEES AND
979 UK STORES AND OVER
454 INTERNATIONAL STORES**

**OPERATING
IN 55
TERRITORIES**

**32m
CUSTOMERS**

**2,100
PRODUCT SUPPLIERS**

**20,000
FARMS**

**100,000
SMALLHOLDERS**

**OVER
1,000
GOODS AND SERVICES
NOT FOR RETAIL**
– EQUIPMENT FOR NEW STORES
TO CLEANING, SECURITY AND CATERING

INTRODUCTION

M&S published its first Modern Slavery statement in June 2016, and in the past year we have continued to increase the depth and breadth of our work on Modern Slavery, deepening our understanding of risk, and ensuring we have in place the most effective responses to that risk. We consider Modern Slavery to be a growing global issue and know our customers share our concern. Our commitment to our customers is very clear, we will always treat people in our business and supply chain fairly, this includes being at the forefront of eradicating modern slavery. We have been active participants in the developing Modern Slavery agenda prior to the UK Modern Slavery Act (2015) and subsequently. In addition to the work in our own supply chains and operations, we continue to prioritise collaborations, which we view as essential given the deep rooted and systemic nature of many manifestations on Modern Slavery.

KEY AREAS OF FOCUS IN 16/17:

- Extending our work on Modern Slavery into the whole breadth of our sourcing and operations
- Joining and leading collaborations which are helping businesses to do more together on Modern Slavery eradication
- Refining our understanding of Modern Slavery risk, and identifying new tools beyond mainstream social audits

OUR BUSINESS AND SUPPLY CHAINS

M&S is one of the UK's leading retailers, selling own brand food, clothing and home products in 1433 stores and online both in the UK and internationally. Further details on our international locations and our franchise partners and locations can be found on our website. The M&S Group has an annual turnover of £10.6 billion. Plan A, our ethical and environmental programme, underpins everything we do, from sourcing responsibly and reducing waste to helping the communities in which we operate. Our extended product supply chains are extensive and global, numbering thousands of suppliers in more than 70 countries. In June 2016 we launched the M&S interactive supply chain map <https://interactivemap.marksandspencer.com>. This year we added sites used to make M&S home and beauty products onto the map. We also took the opportunity to indicate the presence of a trade union and/or workers committee in a factory where they've been declared. Factories disclosed on the map now represents over 98% of our first-tier manufacture*. Excluded are sites used to produce M&S wine, some small Homeware, continental meat and artisanal cheese suppliers. Other lower tier factories used by our suppliers, for example those which manufacture fabric, yarn and primary food processors are not included on the map.

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

*Included are all first-tier manufacturing sites which produce M&S branded clothing, clothing accessories, footwear, beauty, food, non-alcoholic drinks, beers & spirits and household products.

MODERN SLAVERY STATEMENT 2017

GOVERNANCE STRUCTURE AND STRATEGY FOR MODERN SLAVERY



We seek to have a sector-leading approach to Modern Slavery; with appropriate and well-communicated policies, a due diligence programme based on risk assessment and effective follow up, an appropriate level of employee and supplier training, and a strong emphasis on collaborative partnerships, stakeholder dialogue and transparency.

Core to our approach is a robust governance structure. We continue to build management capacity on Modern Slavery risk assessment across the breadth of the M&S Group. We are focussing on developing the knowledge and experience of a Group-wide human rights practitioner group. Our Modern Slavery work is supported by a Director-level Human Rights and Modern Slavery Steering Group, which reports to our Operating Committee, which is chaired by Chief Executive Officer Steve Rowe, and which runs our business on a day to day basis. Our Human Rights Policy, Strategy and Report, which includes Modern Slavery, were brought to the Operating Committee on four occasions in 2016-17. In addition, an update on Human Rights and Modern Slavery was given to the Group Board Audit Committee in January 2017 and each business area's leadership team has attended human rights awareness sessions to highlight their accountability and help them to enhance their control on managing risks.

To further strengthen our Modern Slavery governance, in 2016 we established a new independent Human Rights Advisory Group, comprising leading subject matter experts, such as Oxfam, Shift and the Institute of Business and Human Rights. This group met twice in 2016-17. Some of their key points of feedback on our approach are summarised in Figure 1. More information on the role, composition and activities of the Human Rights Advisory Group can be found in our Human Rights Report: <https://corporate.marksandspencer.com/documents/plan-a-our-approach/mns-human-rights-report-june2017.pdf>

“M&S is now taking a leadership position on human rights and is starting to embed human rights in its processes and across its businesses and supply chain. We have been very pleased to see M&S’s high score in the Corporate Human Rights Benchmark, and encouraged that it is taking steps to understand blind spots where abuses are occurring and is starting to ask more of the hard questions. We commend M&S for your progress over the last 12-18 months – and we urge you to dig deeper and think harder in the year ahead.”

M&S HUMAN RIGHTS STAKEHOLDER ADVISORY GROUP

FIG 1. COMMENTARY FROM M&S HUMAN RIGHTS STAKEHOLDER ADVISORY GROUP

- Engage directly with affected stakeholders – especially where risks to their rights are greatest
- Identify where you can achieve more systemic change and put the resources into targeted, outcome-oriented and accountable initiatives working together with others wherever possible
- Focus on understanding and remediating issues and embedding the learning in your DNA
- Develop more and better ways to measure which efforts to reduce human rights harms are succeeding and which are not – in operations and business relationships.

POLICIES AND CONTRACTUAL CONTROLS

As reported in our [previous statement](#), we have a number of policies in place relevant to Modern Slavery, all of which are signed off at Director level. This includes our Human Rights policy, our [Code of Ethics & Behaviours](#), and our [Whistleblowing Policy](#) (aimed principally at our employees but also available to others working in our supply chain.) Our [Global Sourcing Principles \(GSP\)](#) have applied to product suppliers since 1998, and as of May 2016, have been extended to all suppliers and franchise partners – including goods not for resale. We updated our standard supplier contractual terms for new suppliers in 2016 to include obligations on Modern Slavery Act risk assessment, controls, and notification of Modern Slavery findings. We again updated them in 2017 to further reference our wider Global Sourcing Principles.

All suppliers are required to comply with our Global Sourcing Principles, and with business-area specific ethical policies, which require them to:

- Participate in ethical trading audit assessments;
- Provide employees with good working conditions, fair treatment and reasonable rates of pay; and
- Respect workers' human rights and comply fully with all applicable laws.

The above policies also require that:

- All work must be voluntary, and not done under any threat of penalties or sanctions
- Workers must not pay any deposits for work, and employers – whether labour users or recruiters – must not keep original copies of identity documents.
- Indentured labour is prohibited, and workers must be free to leave work at any time, with all salary owed to be paid.

In the past year, as our understanding of Modern Slavery has grown, we have developed our policies with input from cross-business practitioners, suppliers and external stakeholders, to better set out detailed guidance on several areas we know to be linked to Modern Slavery: in particular recruitment fees, passport/identity document retention, and third party labour providers. On the topics of recruitment fees and passport/identity document retention, we have developed detailed guidance for suppliers and franchisees (and their suppliers) on our requirements and how to meet them. On labour providers, we have consulted suppliers on a new [Global Labour Provider Policy](#), which we plan to launch to suppliers in 2017-18. We are committed to continue our work on responsible recruitment practices and better management of third party labour providers as part of our broader effort to eradicate Modern Slavery in the coming years, in line with our Human Rights Report.

In 2016, we issued a revised [Foods and Clothing and Home Supply Chain Grievance Policy](#) explaining the channels through which individuals and communities who may be adversely impacted by the Company can raise complaints/concerns. During 2016-17, we conducted a critical review of grievance mechanisms available both for our employees and for the supply chain, and the extent to which issues are effectively raised within our business. This involved developing a better understanding of our existing processes, identifying what reporting data is available and using a cross-business survey to assess awareness and adoption. We have identified opportunities to improve the understanding of what channels are available within the business. Operational level improvements were also identified, particularly in unifying the way we handle and follow-up on grievances. We have agreed several key actions for 2017/18, including updating our Code of Ethics & Behaviours and associated policies, developing a cross-business Communications Plan for the Confidential Hotline and existing grievance processes and improving data gathering to enable progress to be better tracked and reported.

ASSESSMENT OF MODERN SLAVERY RISK WITHIN OUR SUPPLY CHAIN

The manifestations of Modern Slavery are complex and hidden, and in order to prioritise activity, we need a strong risk assessment in place. In 2017 we have refreshed our risk assessment process to cover the entire scope of our business, encompassing Retail Operations, Property, Logistics, HR, IT, International, Food and Clothing and Home. Inputs into the risk assessment have included more detailed mapping of supply chains and operations, desk based research, supplier surveys, supplier engagement and discussions with expert stakeholders. To further develop our understanding and approach, we have carried out a root cause analysis exercise to determine the degree to which particular human rights issues identified as salient by M&S, including Modern Slavery, are influenced by the company and its activities. We also scoped the extent to which other actors, such as governments are responsible for negative impacts. For more details see page 7 [Human Rights Report](#). The exercise reviewed existing or possible new interventions that M&S, suppliers, civil society and governments could take to deliver desired impact.

This new methodology highlighted the need for systems-level thinking, focusing our action on the root cause of issues and where we could most leverage incremental change. Based on the knowledge gained from the work and consideration of our ability to influence and impact, we identified three priority focus areas for Human rights one of which was tackling Modern Slavery.

In early 2017, 130 suppliers out of the 150 invited to our first modern slavery conference responded to a survey to help us understand what they had done on Modern Slavery. We found that 66% of suppliers have a Modern Slavery policy in place, and 50-60% have undertaken risk assessments, audits and/or training. 54% of respondents believe they are in scope for the Modern Slavery Act; 39% state they have published a Modern Slavery Statement; 20% are unsure if they are in scope. This survey informed the content of our February 2017 Modern Slavery conference, and the production of a new Modern Slavery toolkit.

During 2016-17, we have increasingly expanded our work on Modern Slavery beyond our product supply chains. However, based on our risk assessment, we continue to consider our Food and Clothing supply chains to be our highest risk areas. For these areas, we have repeated our annual detailed risk assessment process, working with third party experts using a number of publicly available indices, such as the US State Department's Trafficking in Labour Report, as well as supply chain location information. We shared the outcome of our risk assessment with key civil society partners, who further commented and enabled us to refine our understanding of risk. From this work, we have identified the highest risk priority countries for our product supply chains (see Figure 2) as **Thailand, Malaysia, India, Ivory Coast and China** (Foods), and **India, China, Turkey, Vietnam, Bangladesh and Cambodia** (Clothing and Home). Although the UK does not feature on this list, the scale of our sourcing means that it remains a priority country for due diligence in the Food business.

In the food industry, there are well-known, reported cases of forced or trafficked labour of Eastern European workers in the UK meat and poultry processing industry, for example, or of enslaved migrant workers several tiers down the shrimp supply chain in Thailand. In the clothing industry, we are aware of increased risks in Turkey, for instance, due to the significant number of foreign migrants that may be vulnerable to exploitation.

FIG 2.

Modern Slavery Food highest risk countries*	Modern Slavery Clothing and Home highest risk countries*
Thailand	India
Malaysia	China
India	Turkey
Ivory Coast	Vietnam
China	Bangladesh
UK	Cambodia

*For the full list see page 9 [Human Rights Report](#)

DUE DILIGENCE AND ASSESSMENT OF SUPPLIERS AND SUPPLY CHAIN

Having established risk, it is important that we conduct due diligence within our supply chains and operations to understand whether there is evidence of Modern Slavery issues, and whether there are sufficient controls in place. For some time, we have had a requirement that all new and existing direct Clothing and Home suppliers, all new and existing direct Food suppliers (plus a subset of Food raw material suppliers deemed to be high risk), and all Property suppliers in high risk countries have due diligence checks in place in the form of ethical audits, conducted by third parties on behalf of M&S. These audits assess compliance with the **M&S Global Sourcing Principles** and are, amongst other things, intended to identify any Modern Slavery practices. If issues are identified, appropriate investigative and remedial actions are taken. During 2016-17, ethical audits identified 20 non-compliances under the heading 'employment is freely chosen', this included recruitment fees, deposits for protective equipment, mandatory overtime, and restricted toilet breaks. In all instances, we have verified evidence of suppliers putting corrective actions in place, or are working with suppliers to achieve this.

However, we recognise the limitation of mainstream ethical audits to identify Modern Slavery issues, and in order to have effective Modern Slavery due diligence, we need to undertake a range of other methodologies, as appropriate for the nature of the supply chain. In the past year, our due diligence has included:

- **Bespoke due diligence audits with leading forced labour experts, including the Gangmasters & Labour Abuse Authority: Where a previous assessment, intelligence or whistleblower highlights a higher risk in relation to a Human Rights issue we will use specialists to tailor the investigation to increase the likelihood of uncovering the evidence, e.g. in community interviews, immigration ID checks.**
- **M&S team visits to high risk supply chains.**
- **Partnership approaches, including the development of new assessment tools such as Clearview, described below, and collaborations, such as Stronger Together.**

As we have gone further down within our supply chain, we have also encountered challenges. This has included the time it takes to map supply chains several tiers down, and reluctance from entities further down the chain to undertake additional due diligence at the request of a customer several steps removed, and where our purchasing power may be small, even where funding is provided. We will continue to work on our approach to address these challenges, report transparently where we find them, and engage in collaborative work to bring more influence to harder to reach areas of our supply chain.

Some of the product supply chains where we use sustainability certification as a method of addressing our human rights and sustainability risks also have an increased risk of Modern Slavery: this is particularly true in tea and coffee, cotton and palm oil, where we use the certification schemes of Fairtrade, Better Cotton Initiative, Roundtable on Sustainable Palm Oil. In the past year we have therefore been working with these certification bodies to review how effectively they are including Modern Slavery in their certification and collaboration processes, and to influence them to increase the attention given to Modern Slavery. In 2016-17 this included extensive engagement with Fairtrade, inputting into the BCI standard consultation and using our position as a RSPO Board member to promote the need for Modern Slavery and labour issues to be given greater profile in standards and audits.

FIG 3. ISSARA INSTITUTE



Given the higher level of Modern Slavery risk in Thai supply chains, M&S is a Strategic Partner of the Issara Institute, a US 501(c)(3) not for profit corporation, and Thai foundation, tackling issues of trafficking and forced labour through data, technology, partnership, and innovation. Its innovative partnership and Inclusive Labour Monitoring model based on 'empowered worker voice' provides a new and effective means for detecting issues, responsible sourcing, and solutions for reform. It includes a multi-lingual hotline, social media chat communications, Myanmar-language smartphone app, extensive migrant worker community engagement, and on-site assessments to collect primary data and understand issues that workers face. Whereas traditional ethical audits report on a 'snapshot in time', the Issara model enables real-time monitoring of issues and on-going engagement in improvements, as well as ensuring a more prominent role for worker voice. At present, five of our six first tier Thai M&S suppliers are collaborating with Issara, covering 4,000 workers from Thailand, Myanmar, Cambodia and Laos. In the past year, Issara Institute has identified serious issues at two of our supplying sites. These issues related to third-party labour providers and included deceptive recruitment practices (for example workers had been told they would get roles in different industries or locations); incomplete working documentation (for example forged work permits); non-transparent recruitment fees; retention of worker documents; and underpayment of wages. M&S and other parties have been working closely with the Issara Institute team to encourage supplier collaboration and ensure careful follow-up remediation to these issues, and solutions which put the worker at the centre.

The key priority for Issara in the year ahead is to support its members to understand how to build and monitor ethical recruitment options, and to bring empowered worker voice and practical solutions-oriented approaches to the forefront of global responsible sourcing. The key insight for us at M&S is that the Issara model has found issues which have not been found by numerous standard audits at the same sites. Issara gives us the opportunity to learn practically about what models work to find forced labour (and other complex human rights issues). We will use this to inform our future work on due diligence and diagnosis.

"In the past, our employers and supervisors treated us like strangers. We understood being treated this way was due to being factory workers, however, after Issara's engagement, we are pleased that our employer has started acknowledging the workers."

M&S SUPPLY CHAIN WORKER

MODERN SLAVERY TRAINING

During 2015-16, we focussed on building the capacity of our key staff who have been given increased responsibility for understanding and mitigating Modern Slavery risk. This has continued in 2016-17. Human rights training has been provided to all practitioners, and members of the Operating Committees, and each business area leadership team. Every training has focused on raising participants' awareness, highlighting accountability and challenging their approach to managing risks. All new staff in all buying areas are trained on Ethical Trading as part of their induction programme. In Foods we rolled out New ethical trade additional training to over 200 M&S Food Buyers, technologists, product developers and related roles. For the rest of the business, we have developed an awareness-raising toolkit entitled 'Many Eyes' – a reference to the fact that when taken together, M&S staff represent 'many eyes' to spot human rights and forced labour issues in supply chains. We are currently developing this toolkit in video form to further engage employees.

Capacity building of our suppliers remains a key focus. Within Foods, where we believe our risk is greatest, this is primarily driven through the Stronger Together Initiative which has been extended to offer training on supply chains, as well as employers' own sites. Over 100 M&S suppliers have now attended this training.

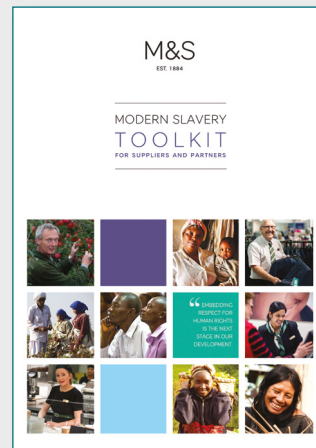
FIG 4. STRONGER TOGETHER – IMPACT ASSESSMENT

In early 2017, we undertook an impact assessment on the effectiveness of Stronger Together in raising awareness on Modern Slavery, using an independent third party expert. Findings included 86% of suppliers reporting that the workshop prompted delegates to take proactive action to manage and/or prevent the issue, 66% agreed that the Stronger Together programme has decreased the risk of instances of exploitation, slavery and human trafficking within their business' workforce. We found that 71% of suppliers have cascaded the training to their labour providers, and 26% have cascaded the training to their direct suppliers. We have shared these findings with the Stronger Together team and other business sponsors.

Recognising a gap in capacity building of non-Food suppliers, in February 2017, we brought together 150 suppliers from our UK Property, Logistics, IT, Retail and Clothing and Home supply base, for a flagship Modern Slavery and Human Rights conference in London. This event set out to build the capacity of these suppliers to understand and manage Modern Slavery risk in their operations and wider supply chain. External speakers included Unseen, Stronger Together, the Gangmasters & Labour Abuse Authority and Business and Human Rights Resource Centre. Feedback from the event showed that attendees considered the content to be highly relevant and they would like M&S to hold similar events in future. Click [here](#) for a short film of the event. At the event we also launched a new [Modern Slavery Toolkit for Suppliers and Partners](#), which we have made open source as we are keen to develop with stakeholder feedback.

The Stronger Together programme has decreased the risk of instances of exploitation, slavery and human trafficking within their business' workforce.

STRONGER TOGETHER – IMPACT ASSESSMENT



THE MODERN SLAVERY TOOLKIT

Designed to support our suppliers and partners to:

- Demonstrate their commitment to tackle modern slavery
- Determine proactive measures that can be taken in a business's own operations and their supply chains to reduce the risk of modern slavery and manage incidences where they occur
- Support engagement with employees, employee representatives and suppliers and partners to protect workers and prevent exploitation.

The toolkit explains what slavery is, how to spot the signs, it offers further practical steps to tackle modern slavery in their own business and supply chain, the business case for tackling Modern Slavery and where to find further help. Subsequently, our business areas have followed up with suppliers to understand where they have got to on the toolkit and their planned actions.











45.8
MILLION PEOPLE
ARE IN
SOME FORM OF **SLAVERY**
IN **167** COUNTRIES
(SOURCE: GLOBAL SLAVERY INDEX 2016)

MODERN
SLAVERY
IS THE GREAT
HUMAN
RIGHTS *issue*
of our time

TRAFFICKING
IN PERSONS
HAS AN ANNUAL
TRADE VALUE
OF AROUND
US \$150 billion
(SOURCE: INTERNATIONAL LABOUR ORGANISATION)

PARTNERSHIPS

We recognise the crucial role of partnerships in tackling Modern Slavery. It is important that when we participate in partnerships, we are clear on the role they play and the value they add. In the past year, we have continued, or built, partnerships with the following organisations.

PARTNERSHIP	HOW IT HELPS OUR PROGRESS ON MODERN SLAVERY
 <p>Ethical Trading Initiative</p>	<p>Our membership with the ETI enables us to work collaboratively with Companies, Trade Unions and civil society on difficult human rights issues including modern slavery that cannot be solved by individual companies working alone by:</p> <ul style="list-style-type: none"> - Forming alliances for joint action in key sourcing countries e.g. Italian Tomatoes, Turkey Apparel - Raising awareness and advocacy with Governments and international labour agencies to influence policy and legislation. e.g. Submission to UK Parliaments Joint Committee on Human Rights - Access to practical information and tools e.g. Piloting ETI new Human Rights Due Diligence Framework in three Spanish provinces – Almeria, Murcia and Huelva. The research focused on issues identified in the media and through the different retailers’ audit programmes. The pilot highlighted specific sector risks due to the reliance on temporary labour agencies to outsource labour and the high proportion of temporary migrant workers employed on farms, coupled with low rates of unionisation, limited effectiveness of worker committees and mechanisms for people to raise concerns. These sector risks include: poor transparency of recruitment processes, unsafe transportation, poor living conditions, and structural barriers to representation. The research made a number of recommendations which the 6 UK retailers involved discussed with their Spanish suppliers in two joint conferences in April 2018. We have also used the output to inform our strategy.
 <p>Institute for Human Rights and Business ‘Leadership Group for Responsible Recruitment’ focusing on the Employer Pays Principle</p>	<p>Our membership of the IHRB LGRR enables us to:</p> <ul style="list-style-type: none"> - Lend our influence to a growing number of companies calling for the eradication of recruitment fees and promotion of responsible recruitment. - Access practical information and tools on how we can implement ‘employer pays’ within our supply base.
 <p>Consumer Goods Forum Social Mission on Forced Labour</p>	<p>Our membership of the Consumer Goods Forum Social Mission on Forced Labour enables us to:</p> <ul style="list-style-type: none"> - Work collaboratively to influence forced labour eradication in palm oil and the Thai fishing industry. As part of this we support the CGFs 3 forced labour principles which should be upheld in every supply chain: - Every worker should have freedom of movement - No worker should pay for a job - No worker should be indebted or coerced to work
 <p>Clearview Labour Provider Certification Scheme – Membership of Technical Advisory Committee</p>	<p>Our membership of the Clearview Technical Advisory Committee enables us to:</p> <ul style="list-style-type: none"> - Contribute to the development of a practical assessment of third party labour providers which is applicable internationally. As well as being a member of the TAC, M&S funded the first pre-pilot of the certification scheme, which was undertaken at a labour provider associated with a fruit packhouse which had been subject to a 2015 media investigation, referred to in our 2016 Human Rights report.
 <p>Sedex Stakeholder Forum – co-chair of the Forced Labour working group</p>	<p>Our membership of the Sedex Stakeholder Forum Forced Labour working group enables us to:</p> <ul style="list-style-type: none"> - Direct activity relating to the optimisation of social audits in identifying indicators of forced labour risks, and effectively report on concerns in a manner that is in the best interest of potential victims.
 <p>Stronger Together – awareness raising how to spot signs of Modern Slavery, and how to approach Modern Slavery in supply chains. We have sponsored Stronger Together since its inception.</p>	<p>Our sponsorship of Stronger Together initiative:</p> <ul style="list-style-type: none"> - We were a founder sponsor of Stronger Together and over the past 4 years it has played a strong role in giving Food suppliers the knowledge of how to identify Modern Slavery in their own businesses, and how to implement a Modern Slavery strategy in supply chains. - We have also influenced the work of Stronger Together to move beyond Foods, and have encouraged other supply chains (for example Logistics) to also be involved in the initiative. In February 2017, Stronger Together was launched in the Construction Sector, and we were delighted to speak at the launch event in the House of Lords. - In early 2017, we undertook an impact assessment of Stronger Together within our UK Food Supply Base. See Figure 4 for further detail. We have shared this information with our Stronger Together partners.
 <p>Gangmasters & Labour Abuse Authority</p>	<p>We have a long standing close relationship with the Gangmasters & Labour Abuse Authority which has played a role in our Food Supply Chain for many years. During 2016-17 we have worked with the GLAA to shape our approach to labour providers in our non-Food supply chains, including commissioning due diligence visits within our Property supply chain.</p>
 <p>Building Effective Working Solutions Together (BEST)</p>	<p>In 2016, we helped establish a multi-brand group called Building Better Solutions Together (BEST) which brought together proactive brands working in the EMEA region to tackle systemic and emerging issues that are impacting the region. The group has identified migrant labour as a key risk issue, and is working to establish the prevalence of migrant workers within the group’s supply chains and develop ways to support factories in fair and transparent recruitment. We have developed a pilot project plan for 2017 which will involve surveying factories in five countries; Jordan, Turkey, Egypt, Italy and UK and creating best practice guidelines for hiring migrant labour.</p>
 <p>Fast Forward</p>	<p>We are also part of the innovative UK Fast Forward programme and all UK Clothing and Home factories are now required to have a Fast Forward audit which has a specific audit methodology designed to identify potential triggers of Modern Slavery.</p>
 <p>Issara Institute</p>	<p>M&S are Strategic Partners in the Issara Institute in Thailand, which promotes a different model of issue detection, based on ‘empowered worker voice’. See Figure 3 for more detail.</p>
 <p>Unseen Modern Slavery helpline</p>	<p>To provide further insight into the modern slavery landscape in the UK and to make a contribution to improving outcomes for victims, M&S are sponsoring the UK Modern Slavery Helpline. This offers the general public the opportunity to report a suspicion, get help or seek advice on any suspected UK modern slavery issue.</p>

We are also working closely with other retailers and our supplier on risks associated with Italian tomato production and migrant labour, as well as with Seafish on risks associated with fishing vessels in the UK and internationally.

In order to promote greater business awareness of Modern Slavery, we regularly speak on the topic at conferences and similar events. In 2016-17 this included speaking at BSR (Nov 16), Food and Drink Federation and UN Global Compact (June 16) on Human Rights and Modern Slavery, specifically on Modern Slavery at Rathbone Greenbank Investor day (May 16), The Freedom Fund conference (Dec 16), a joint Ergon Associates, Law Society and Business & Human Resource Centre event (Mar 17) and Recruitment Fees at the UN Business and Human Rights conference in Nov 2016. We were also invited to give oral evidence to UK government Joint Committee on Human Rights: Human Rights and Business (January 2017).

MODERN SLAVERY STATEMENT 2017

REPORTING ON KPIS, AND NEXT STEPS

In our 2015/2016 statement, we committed to report on the following priorities, and the table below details our key points of action, which are described in the narrative above:

Staff training levels	We have now trained over 200 members of the M&S Food Group on Human Rights and Modern Slavery. We have also focussed on the development of the 12 members of the Human Rights practitioner group, who are responsible for implementing Modern Slavery mitigations in their respective business area.
Actions taken to strengthen supply chain auditing and verification	We have co-chaired the SMETA Modern Slavery working group, to improve the ability of mainstream ethical audits to detect Modern Slavery risk factors. We have also sat on the advisory board for the creation of Clearview, a new labour provider certification scheme. Recognising the limitations of mainstream ethical audits, we have continued to build supplier capacity, and to work with leading forced labour experts on bespoke due diligence audits.
Steps taken to upskill our high risk suppliers, and assessing their ability to detect and mitigate modern slavery risk in supply chains	We have continued to implement Stronger Together within our Food business, and supported the expansion of Stronger Together within Construction. We have undertaken a detailed impact assessment of Stronger Together's ability to upskill suppliers, which is detailed above. As described above, we have held a flagship conference for non-Food suppliers, and distributed a new Modern Slavery toolkit.
Investigations undertaken into reports of Modern Slavery and remedial actions taken in response	Figure 3 on page 4 of this report describes issues found with labour providers in our Thai supply chain. We report above on a number of issues identified within SMETA audits under the issue title 'Employment is Freely Chosen'.

In the year ahead, we will continue our strategy to lead within our sector on Modern Slavery, and 'Taking the Lead on Modern Slavery' is one of our three major priorities within our Human Rights approach (please refer to [M&S Human Rights report](#)). We have identified the following key actions as core to driving improvement on Modern Slavery:

NEW PUBLIC COMMITMENT:

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 and as well as our progress towards ensuring no worker pays for a job.

Identify risks regarding recruitment practices of third party labour providers in M&S operations and supply chains.

Develop and implement scalable pilot activities on modern slavery / ethical recruitment practices in selected areas of focus where M&S has leverage and can take a leadership role.

Identify and use opportunities for collaboration to verify and help resolve risk issues (e.g. IHRB, IOM, etc.)

We will continue to report transparently on the whole breadth of our Modern Slavery activity, including our work on these actions, in both our Modern Slavery statement, and our on-going Human Rights reporting.

This statement was approved by the Board of Marks and Spencer Group plc

Signed



Steve Rowe, CEO
June 2017