Anti-Bribery Policy

Message from the Chief Executive

At Marks & Spencer we are committed to doing the right thing, the right way. Our Code of Ethics and Behaviours outlines the standards and behaviours that M&S upholds as a company, to ensure that the highest standards of honesty and integrity are maintained. This is more important than ever because of the strict new rules brought in by the new Bribery Act.

We operate a zero tolerance approach to the making or receiving of bribes or corrupt payments, in any form. This type of conduct is absolutely prohibited whether committed by employees or anyone else acting on the Company’s behalf.

This policy sets out what is and is not acceptable in general terms, but if you are in any doubt as to whether any conduct could amount to bribery, the matter should be referred to the Group Secretary, who is the Chief Compliance Officer for this policy. It is essential that you read and comply with this policy.

Marc Bolland
Chief Executive

Statement from the Group Secretary

As Chief Compliance Officer for M&S in respect of bribery and corruption matters I have overall responsibility for our compliance in this area. The Audit Committee considers bribery and corruption risks as a standing item on its agenda. The Board is also updated on this topic on a regular basis and provided with ad hoc updates when necessary. Our Legal Department advises the Company on the legal aspects of compliance.

Amanda Mellor
Group Secretary & Head of Corporate Governance

Copies of the M&S Anti-Bribery policy are available from the Group Secretariat +44 (0) 20 8718 9888
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This policy sets out what we must all do to help prevent bribery in all its forms. A bribe may include any payment, benefit or gift offered or given with the purpose of influencing a decision or outcome. The bribe may not always be of a large value. It could be a lunch or an invitation to a sporting event.

We recognise that market practice varies across the territories in which M&S does business and therefore what is normal and accepted in one place may not be accepted in another. However, we are fully committed to complying with our obligations under applicable legislation, including the Bribery Act 2010 (the “Act”), and ensuring that no bribes or corrupt payments are made, offered, sought or obtained by anyone acting on our behalf, to anyone, anywhere in the world.

If you are ever in doubt about a situation with which you are presented, always seek advice. You should contact the Group Secretary on +44 (0) 20 8718 3604 or email: company.secretary@marks-and-spencer.com in the first instance.

The M&S Anti-Bribery policy is mandatory for all M&S employees, agents, intermediaries, consultants, distributors, sub-contractors, suppliers and Joint Venture partners working on the Company’s behalf anywhere in the world (“Business Partners”). Our franchise partners are also expected to conduct themselves in accordance with the standards set out in this policy.

It is important that you take the time to read and comply with this Policy. The prevention, detection and reporting of any bribery in any form is the responsibility of all employees across the M&S Group and all individuals and entities over which M&S has control. Appropriate confidential channels for employees and Business Partners are in place to report any suspicion of bribery, these are described later in this Policy.

Any failure to comply with this Policy will be treated seriously and may result in disciplinary action.

You must read and abide by the terms of this Policy. You may also be required to provide written confirmation that you will comply with this policy, by signing up via the Code of Ethics.

For Employees:
Any act of bribery, in whatever form is unacceptable. We will consider taking disciplinary action against anyone who fails to comply with the anti-bribery policy up to and including dismissal. Failure to comply with this policy may also leave you open to a criminal prosecution under the Act. An offence under the Act can result in a fine and/or up to a maximum of 10 years imprisonment.
For Marks & Spencer:
A breach of this Policy by an employee or business partner could result in the Company breaching the Act. An offence under the Act can result in the business being fined and would likely lead to negative publicity and serious damage to the reputation of the M&S brand.

What you cannot do

Prohibited conduct

The following conduct is absolutely prohibited under this Policy:

- making unofficial payments to officials in order to obtain any permission, permit or stamp particularly in connection with importing or exporting goods;
- appointing any third party or supplier to act on behalf of M&S who you know or have good reason to believe to have engaged in any corrupt or unlawful conduct including any offences under the Act; or
- paying any third party for the purposes of being a ‘fixer’ to open doors and make connections for us overseas.

Facilitation payments

Facilitation payments (‘facilitating’, ‘speed’ ‘back-hander’ or ‘grease’ payments) are any payments, usually small cash payments made to low-level officials, as a bribe to secure or expedite the performance of a routine or necessary action or level of service.

M&S employees or Business Partners must never offer, pay, solicit or accept bribes in any form, including facilitation payments.

**Exception:** The only exception to paying a facilitation payment is where your life is in danger. If a facilitation payment is made in such circumstances, it must be reported as soon as practicable or possible to the Group Secretary, as the Chief Compliance Officer, in order that it can be recorded.

M&S employees and Business Partners should report, via the Speak Up employee helpline any instance where a facilitation payment is alleged to have been paid on the Company’s behalf.

From the UK: 08000 150281
From the Republic of Ireland: 1800 411 063,
International: +44 (0) 208 718 5562,

Checking out suppliers and partners: due diligence

Where there is a Significant Bribery Risk all Business units must consult Legal in relation to appropriate anti bribery compliance measures **before**:
- appointing a new supplier;
- entering into a partnership;
- appointing an agent to work on the Company’s behalf; or
- entering into a new contract/ or amending the terms of an existing contract

A Significant Bribery Risk will arise if:-

1. the supplier, partner or agent etc is based in a High Risk Jurisdiction (see list attached at the end of this Policy)
2. the services being provided involve work being undertaken, directly or indirectly on our behalf, in any High Risk Jurisdiction
3. the services involve goods passing through borders between High Risk Jurisdictions
4. the services involve business partners paying fees, taxes or payments on behalf of M&S in relation to the import or export of goods.
5. the services involves business partners obtaining official permits, permissions or agreement from public officials or agencies; or
6. there are any particular reasons to suspect that the risk of corruption or bribery is higher than normal.

Legal will advise on the level of due diligence required and the form of any anti-bribery clauses required in relation to an agreement or contract. Any due diligence must be completed before:

- the contract with an agent or partner is signed or renewed;
- the agent does any work;
- the partnership undertakes any activities;

If the business unit and Legal cannot agree on whether due diligence is required or the due diligence to be undertaken, then the matter must be referred for determination to the relevant Business Unit executive and to the Head of Legal.

Gifts, Hospitality and Entertainment

All M&S employees are expected to conduct themselves with integrity, impartiality and honesty at all times. Accordingly, all employees are required to follow these rules on Gifts, Hospitality and Entertainment. In addition, employees of M&S Joint Ventures or subsidiaries, whether in the UK or elsewhere, are required to follow these standards. We also expect employees of our franchise partners and suppliers to conduct themselves in accordance with these standards.

You must maintain a high standard of professionalism and not open yourself up to suspicion of dishonesty or put yourself in a position of conflict between your work and your private interests. Gifts and entertainment given and received as a reward, inducement or encouragement for preferential treatment or inappropriate or dishonest conduct are strictly prohibited. In particular, no gifts, hospitality or entertainment may be given or accepted during a tender process or during contractual negotiations if there is any realistic risk that such gifts or entertainment could influence the outcome of such processes or negotiations.

It is important that all M&S employees’ actions are able to withstand scrutiny, and not cause any embarrassment to the Company, yourself or any third party, including contractors or suppliers.

Receiving and giving gifts

You may accept low value token gifts such as branded pens, stationery and mouse mats produced for the purpose of being given away, if given by an existing supplier. Occasional boxes of confectionery, etc may be given to a department as opposed to an individual. Otherwise you must refuse personal gifts such as Christmas, wedding or birthday gifts, including vouchers or cash equivalents, received from franchise partners, suppliers, clients and other third parties. In some parts of the world it is conventional for individuals to exchange gifts in various business related contexts. If you are engaged
in business in such locations a gift can be accepted and a reciprocal gift of a reasonable value may be given, if approved by the relevant Business Unit Executive. However, the accepted gift should be registered in the International Gift Register or the Business Unit’s Gift Register and entered into a raffle with the proceeds donated to charity.

Any gifts offered must be acceptable within the policy of the receiver’s company/organisation and if you are in any doubts about acceptability no gift should be provided.

Hospitality/Entertainment
M&S employees may occasionally receive invitations from suppliers or others to corporate hospitality or entertainment events.

Hospitality or entertainment may only be accepted if:-

- employees or personnel from the supplier are in attendance;
- the supplier does not pay any accommodation or (more than trivial) travel expenses for M&S employees;
- the entertainment and/or acceptance of it could not be interpreted as a reward, inducement or encouragement for a favour or preferential treatment; and
- it is not unduly lavish or extravagant.

Reciprocal hospitality may be offered but needs to be approved by a Business Unit Executive, for example when our overseas suppliers/partners visit the UK.

Hospitality and Entertainment Register
To ensure openness and transparency, all hospitality and entertainment must be recorded in the relevant Hospitality and Entertainment Register on a monthly basis. Employees working within the International business must record such activity on the International Register, and other employees must record such activity in the Register retained within their Business Unit. These registers will be reviewed by the Business Unit Director quarterly and reported to the Audit Committee annually.

Political and Charitable Contributions
M&S does not make contributions or donations to political organisations or independent candidates, nor does it incur any political expenditure.

We respect the right of individual employees to make personal contributions, provided they are not made in any way to obtain advantage in a business transaction.

M&S communicates views to government and others, on matters which affect its business interests or those of its shareholders and employees, as a way of assisting in the development of regulation and legislation affecting the business.

M&S is committed through Plan A to charitable giving and supporting the community. The Company ensures that at least one per cent of pre-tax profits fund initiatives that benefit the community. Donations are given according to Company policy and care must be taken to ensure such donations are never used to gain improper influence.

Speaking Up – Reporting Bribery
M&S aims to conduct business with the highest standards of ethics, honesty and integrity, and recognises that you have an important role to play in maintaining this aim. Any employee concerned about any form of
malpractice, improper action, or wrongdoing by the Company, its employees or other stakeholders are strongly encouraged to report the matter through the dedicated Speak Up helpline.

We believe it is essential to create an environment in which you feel able to raise any matters of genuine concern internally without fear of disciplinary action being taken against you, that you will be taken seriously, and that the matters will be investigated appropriately and as far as practicable be kept confidential.

M&S believes that any employee with knowledge of bribery in any form should not remain silent. We take all matters of malpractice, improper action or wrongdoing very seriously and you are strongly encouraged to raise incidents or behaviours that are not in accordance with the policy, by following the procedure set out below:

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<tr>
<th>Line Manager</th>
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<td>In the first instance, you should consider raising your concerns with your line manager. He/she has a responsibility to listen and respond to any matter that is of concern to you. Concerns can be raised verbally or in writing. Your line manager will determine whether he/she is able to investigate the concern directly, keeping the Group Secretary updated, if appropriate, of progress and its conclusion.</td>
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<tr>
<td>If your line manager is unable to resolve the issue locally, he/she will escalate the concern to the Group Secretary, who will manage your concern in accordance with the Independent Internal Individual process set out below.</td>
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<tr>
<th>Senior Manager</th>
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<td>If you feel that you cannot raise your concern with your line manager, for whatever reason, you should contact the senior manager in your business unit or store, who will consider the matter, manage any investigation, keeping the Group Secretary informed, if appropriate, of progress and its conclusion.</td>
</tr>
<tr>
<td>If the senior manager in your business unit or store is unable to resolve the issue locally, he/she will escalate the concern to the Group Secretary, who will manage your concern in accordance with the Independent Internal Individual process set out below.</td>
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<tr>
<th>Independent Internal Individual</th>
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<td>If you feel you need to raise the issue outside of your immediate working environment, you should contact the Group Secretary on +44 (0) 20 8718 3604 or email: <a href="mailto:company.secretary@marks-and-spencer.com">company.secretary@marks-and-spencer.com</a>. The Group Secretary will record the concern and determine the appropriate approach to take in managing any investigation, including whether to appoint an external independent individual to review the matter, or refer it to the appropriate internal or external body. The Group Secretary will inform the Chief Executive and the Audit Committee Chairman of any serious issues as a matter of urgency.</td>
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**Speak Up: Confidential Employee Helpline**

If you wish to raise a concern using the confidential employee helpline as the nature of the concern is such that you feel it cannot be raised internally, or if you feel that, after reporting the concern internally, the matter still remains unresolved, you can raise the concern via the Company’s confidential Speak Up employee helpline:

- **From the UK:** 08000 150281
- **From the Republic of Ireland:** 1800 411 063
- **International:** +44 (0) 208 718 5562

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.

**Audit Committee Review**
The Audit Committee reviews arrangements by which employees may, in confidence, raise concerns about possible inappropriate activity. The Committee reviews concerns raised through the Speak Up policy to make sure that any significant matters receive independent investigation and appropriate follow up action. The Head of Internal Audit and Risk reports any information on allegations and investigation results to the Audit Committee at least once a year.

If in doubt / Advice

If you have any questions you should contact the Group Secretary on +44 (0) 20 8718 3604 or email: company.secretary@marks-and-spencer.com.

Please ensure that you keep up to date with communications and updates on the intranet. This Policy should also be read in conjunction with the Code of Ethics and Behaviours.