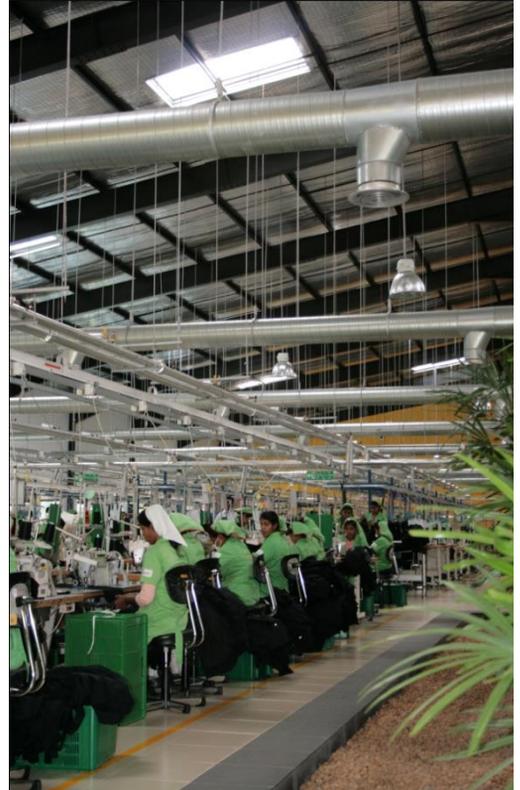


**Please note: This is an exact copy of our internally focused Code of Ethics document. Any links, guides or policies referenced within are held on the Marks & Spencer Network. These will not be accessible outside Marks & Spencer**

M&S

EST. 1884



# Code of Ethics and Behaviours

February 2016



# Introduction

At Marks & Spencer we are committed to our core values of Inspiration, Innovation, Integrity, and In Touch. They are key to the way we work and interact with our customers, suppliers and colleagues across the business and underpin our customer promise of 'Enhancing Lives, Every Day'. Our Code of Ethics and Behaviours (the "Code") outlines the standards and behaviours that help to shape and strengthen our culture. All colleagues are expected to uphold these high standards wherever in the world we conduct business, ensuring that honesty and integrity is maintained. The Code sets out in brief, with some explanation, key Company policies and procedures.

This Code, although not addressing every situation you may face as an employee, does provide a guide to the values, behaviours and ways of working which are core to M&S and which each of us is responsible for upholding as an employee. You should read the Code carefully and refer to it if facing an ethical dilemma at work.

It is essential to create a supportive environment in which you feel able to raise concerns internally without fear of disciplinary action. If you have any concerns or something you come across doesn't feel right, speak up.

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# 1

# Personal and Business Behaviours

## Our Principles and Values

Our values of Inspiration, Innovation, Integrity, and In Touch have been shaped by building on the core values that have characterised M&S since it was founded in 1884. They are at the heart of everything we do as a business, and provide the direction and sense of common purpose that ensures we are doing the right things in the right way, to deliver for our customers.

- **Inspiration** – we aim to excite and inspire our customers;
- **Innovation** – we are restless in our aim to improve things for the better;
- **Integrity** – we always strive to do the right thing;
- **In Touch** – we listen actively and act thoughtfully.

We all have a responsibility to protect the Company's reputation in everything we do and say. This also includes:

- Complying with the applicable laws and regulations in all countries in which we operate;
- Conducting ourselves in a professional manner with the highest standards of honesty and integrity;
- Following Company policies and procedures;
- Working with our suppliers, third parties and agencies to ensure our high ethical standards are maintained;
- If in doubt, seeking guidance and always doing the right thing.

We're also on a journey to make our business more sustainable. We believe a successful business must also be environmentally and socially sustainable. Originally launched in 2007, Plan A is designed to equip us for the future in which our success will depend on our ability to deliver exceptional products and services in a world that is increasingly resource constrained and experiencing social change. Our purpose and values are integral to achieving this goal.

## Who our Code applies to and what it means in practice.

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The Code applies to everyone working for M&S no matter where you are located in the world.

Working at M&S puts you in a position of trust and responsibility to uphold our values when dealing with colleagues, customers, suppliers, shareholders, the environment and our local communities.

## How do I comply with the Code?

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All M&S employees are required to read, understand and adhere to the Code and the policies it refers to. 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 all employees.

If you require more information, refer to the [People Guide](#) or speak to your line manager. Failure to comply with the Code, and the policies and procedures to which it refers, will result in disciplinary procedures being applied that may result in your dismissal from the Company. In instances of fraud, we will seek prosecution of the individuals concerned and the Company will seek to recover losses.

## What are managers expected to do?

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Managers (level D (if applicable), E and above) have additional responsibilities under the Code to:

- Ensure the Code is understood by those they manage;
- Provide advice and guidance on interpreting the Code;
- Uphold and promote the requirements of the Code; and
- Complete the annual attestation of their compliance with the Code.

## How to raise a concern or ask a question?

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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 or worker providing services to M&S concerned about any form of malpractice, improper action or wrongdoing by the Company, its employees or other stakeholders is strongly encouraged to report the matter.

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

M&S believes that any employee with knowledge of wrongdoing 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 Code, or the policies to which it refers, by following the procedure set out below:

*“Integrity is doing the right thing, even if nobody is watching.”*

### Line Manager

In the first instance, you should consider raising your concern 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. They may be able to agree a way of resolving your concern quickly and effectively.

### Senior Manager

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 and, if appropriate, manage any investigation.

### Independent Internal Hotlines

If you feel you need to raise the issue outside of your immediate working environment, or if you feel that, after reporting the concern internally, the matter still remains unresolved, you should contact one of the following confidential hotlines:

**Email:** [confidential@marksandspencer.com](mailto:confidential@marksandspencer.com)

**Call from the UK:** 08000 150281

**Call from the Republic of Ireland:** 1800 411 063

**International:** +44 (0) 208 718 5562

For more information and to view the policy in full, please refer to the [Whistleblowing Policy](#). Where appropriate, your concern will be referred to the Group Secretary who will inform the Chief Executive and the Audit Committee Chairman of any serious issues as a matter of urgency.

### Audit Committee Review

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 reviews concerns raised through the Whistleblowing 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.

## Human Rights

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Human rights are fundamental principles which allow an individual to lead a dignified and independent life, free from abuse and violations.

We will not tolerate, nor will we condone, abuse of human rights within any part of our business or supply chains, and we will take seriously any allegations that human rights are not properly respected. If you have reason to believe that such activity is taking place within the Company or in any of our supply chains, please report this to your line manager, or call the Independent Internal Hotlines (details above).

## Bribery and Corruption

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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.

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.

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.

### Bribery, Gifts and Entertainment

All employees must follow the rules on Gifts, Hospitality and Entertainment, including declarations recorded on the individual Gift, Hospitality and Entertainment Registers. 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.

The [Anti-Bribery 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.

### Fraud

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

The Company's [Group Fraud Policy](#) defines Fraud 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 the [Group Investment Policy](#).

When travelling and claiming expenses you must follow the [Business Travel and Expenses Policy](#).

## Conflicts of Interest

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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, including a directorship or shareholding, unless previously advised to, and agreed by management.

## Inside Information and Share Dealing

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Companies listed on the London Stock Exchange are required to comply with the UKLA's Listing Rules and Disclosure and Transparency Rules. These Rules require employees who have access, through their roles, to unpublished and confidential information which is potentially share price sensitive ('inside information'), 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 Restricted Dealing List. Whether you are covered by the Share Dealing Code or not, it is a criminal offence for anyone to deal in a company's shares if they are in possession of unpublished price sensitive information about that Company.

From July 2016, the regulations relating to Inside Information and share dealing are changing. Employees on the Restricted Dealing List will be contacted and advised of the new requirements.

# 2

# Working Relationships

This section sets out the Company's key policies and procedures. Detailed policies and guidelines are contained in the People Policies section of the People Guide in M&S World. Your line manager will be able to give further guidance on any other specific policy or procedure relevant to your work area.

## Customers

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M&S values the loyalty and confidence of our customers above all else. Our values of Inspiration, Innovation, Integrity, and In Touch underpin our customer promise of 'Enhancing Lives, Everyday'. 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 managed 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 our customers' personal data.

## Colleagues

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All M&S colleagues work hard with the common aim of ensuring our customers are at the heart of everything we do. 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. Please see more information on our [Bullying and Harassment Policy](#). 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 [Business Involvement Groups](#) (BIG), the Company's network of elected employee representatives, 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. The BIG network enables all employees to have an opportunity to positively influence the business we work in.

We care about your wellbeing and work with UK managers to provide Occupational Health support to employees. We also have a 24 hour confidential employee 'Live Well Work Well' helpline on 07659 145671, which employees can call to discuss any personal issues. We will not compromise the health and safety of our employees. We will offer ongoing training and development to enhance your career opportunities 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 all information held about employees 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.

More information on behaviours towards customers and colleagues is given in the [Disciplinary Conduct & You Guidelines](#). The repercussions of failing to abide by company standards are set out in the [Disciplinary Policy](#).

## Shareholders

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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 high standards of governance and 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 the corporate website at [marksandspencer.com/thecompany](https://marksandspencer.com/thecompany).

## Business Continuity

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The Company's [Business Continuity Policy](#) aims to ensure that we are fully prepared and equipped to continue business in the event of a crisis or disaster at any M&S location. Each Business 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 stores and offices', systems and business processes. You have responsibilities, and your line manager will advise you of these following a major incident.

## Employee Discount

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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 comply with the [Employee Discount - Conditions of Use](#).

*Your friend asks you to buy them a few suits with your discount card....what do you do?*

## Fire, Health and Safety

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Together we have a responsibility to maintain a healthy and secure workplace. 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 comply with safety rules and 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 e.g. customers, colleagues, visitors and suppliers. Each of us has a responsibility for safety in the workplace.

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. You should never turn up for work under the influence of drink or drugs.

## Social Networking Sites

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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 a 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, for example about customers and colleagues. You are encouraged to consider carefully what you post and follow the [Social Media Policy](#).

*Had a bad day and want to share it?....It's not always good to talk!*

## Lobbying and Political Engagement

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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, for example to carry out duties for a local authority or participate in local or national politics, must first speak to their line manager.

## Media and Investor Relations

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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, you must follow the [Media Policy](#).

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 FCA 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 Policy](#) set out the role of Investor Relations and our responsibilities in making sure the Company maintains this principle.

M&S is committed to delivering sustainable value to its shareholders and Enhancing lives, Everyday through the high quality, own brand food, clothing, and home products it offers in the UK and internationally.

Plan A, launched in 2007, is designed to underpin our unique business model and equip us for the future in which our success will depend on our ability to deliver exceptional products and services in a world that is increasingly resource constrained and experiencing social change. Plan A is delivered in line with our core values of Inspiration, Innovation, Integrity, and In Touch. These values influence how we behave and they run through everything we do.

Our current version of Plan A sets out a number of challenging commitments and targets for our business to achieve by 2020. Every part of our business has a role to play in delivering these commitments. We have robust processes and controls to monitor and report against our progress, and we report publicly on our performance every year in our Plan A Report which is available on our Plan A website at <http://corporate.marksandspencer.com/plan-a>.

## Our Business

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We want to redefine retail by investing in innovation, making our stores, operations and value chains as sustainable as possible.

We're committed to maintaining carbon neutrality status for our operated activities worldwide until at least 2020, piloting new approaches to constructing and maintaining our stores, promoting active and more sustainable lifestyles to our customers and employees, sending zero waste to landfill, and running our retail operations more sustainably.

We ensure delivery of sustainability through the following actions:

- Integrating sustainability into our everyday systems and processes;
- Engaging our customers and employees on sustainability;
- Embedding sustainable and responsible practices into the sourcing and procurement of products and services;
- Building sustainability into the construction, refurbishment and operation of our stores, distribution centres and offices;
- Creating a positive culture of innovation on sustainability.

## Our Sourcing

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As one of the most trusted brands on the high street, we believe our role is to reassure our customers and key stakeholders that our products are ethically and sustainably sourced. To do this, we must look beyond our operations to the wider supply chain, where the biggest impacts occur. Each year we sell around 3 billion items, produced by nearly 3,000 suppliers. We estimate that our suppliers source raw materials from around 20,000 farms and 100,000 smallholders, with our entire supply chain involving around 2 million people. We also use non-merchandise goods and services worth several billion pounds every year, to support our operations - from equipment for new stores to cleaning, security and catering.

We're committed to engage with our suppliers fairly and lawfully and source responsibly. We work closely with our suppliers to make sure they respect human rights, promote decent working conditions and improve sustainability across our supply base. This applies regardless of whether we are sourcing items to sell or use within our business.

Our [Supply Chain Human Rights Policy Statement](#) reinforces our commitment and responsibility to respect internationally-recognised human rights in line with the principles and guidance contained in the [UN Guiding Principles on Business and Human Rights](#).

Our suppliers are responsible for achieving and maintaining the requirements of our [Global Sourcing Principles](#) and to enforce them within their own supply chain.

We've developed supporting sourcing policies, strategies and standards that facilitate the delivery of industry obligations or particular Plan A commitments that go beyond our minimum standards.

## Our Communities and Charity Partnerships

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We aim to create a positive impact in society and improve people's lives wherever we touch them, in line with our Company purpose: Enhancing lives, Everyday. We've supported our local communities throughout our 130 year history, because we know that vibrant communities are essential to our success.

We encourage charitable giving but at the same time we need to protect the business from unscrupulous appeals and possible misappropriation of funds. The credentials of organisations must be checked and all community investments and relationships must be disclosed.

As a diverse retail business, it is not appropriate to have a single charity partner. At a corporate level we've built strategic partnerships with a number of fundraising partners. Stores are able to select a Local Charity of the Year to raise money for or support one of the Company's corporate partners. In addition, there is a small amount of budget allocated via the Store Cash Management System that enables stores to support local causes with donations of up to £50 throughout the year. For more information refer to the '**In Touch with your Community framework**'.

The Company does not support the following causes:

- Personal appeals on behalf of individual people, including overseas trips
- Advertising or goodwill messages
- Political parties
- Third party fundraising on behalf of a charity
- Religious bodies, except where the project provides non-denominational, non-sectarian support for the benefit of a project
- Supplying clothing, other than in exceptional circumstances as we already have corporate partners in place

*"If we can help others make a difference, why wouldn't we do it?"*

We encourage our employees to become involved in their local communities. The Company offers employees one day's paid time off for volunteering to support a charity or local cause of their choice. All employees wishing to take advantage of this must follow [The Charity Volunteer Day Policy](#).

In addition, if a team of five or more employees fundraise for a charity they can apply to have the funds matched. Employees can also support one of the corporate charity partners each month with a direct donation through the Company's [Payroll Giving scheme](#).

# 4

## Company Property and Resources

### Information Governance

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Information Governance is our system for handling and controlling information, including personal data, confidential materials, and other important information. We are committed to good Information Governance which involves compliance with all applicable legal and regulatory obligations, keeping data secure and ensuring that we are able to access and use information for legitimate business purposes.

#### Personal Data

M&S is committed to handling personal information in line with data protection laws. Wherever you work in the business, as an M&S employee you have an important part to play in enabling us to meet this commitment.

Our [Data Protection Policy](#) sets out the rules which all employees must follow when handling personal information. It will help you 'Do the Right Thing' to protect yourself and our business, by protecting any personal information you handle.

As an employee it is your responsibility to ensure that all personal information is handled in compliance with data protection laws and the applicable M&S policies. This applies to all information, held on computer or in hard copy files, from which a person could be identifiable. Beware of people trying to obtain information to which they are not entitled. Do not access personal data about people without appropriate authorisation, only use it for legitimate legal or business purposes and only hold the information as long as is necessary to carry out the business or legal task.

*What if the police contact me asking for information about a customer?*

#### Confidential Business Information

Information about future marketing or promotional activity, eg brand launches, promotions, sales, or "discount days" 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](#).

#### Use of Information Technology ("IT")

The use of the Company's IT facilities are subject to the Company's IT policies and procedures which are aimed at protecting IT equipment, systems, networks and information including smart phones and other hand held devices. Using IT equipment inappropriately can result in the security of these systems being vulnerable. You will find detailed guidance on the use of IT 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 and other related policies including **the guidance for users of small mobile computing devices (smart phones and PDAs)** may result in disciplinary action up to and including dismissal. Deliberate or serious breaches may lead to criminal prosecution. Reduce the risk of theft, particularly of portable equipment, damage and unauthorised access to computer systems by following Company procedures above and care about such equipment as though it was your own.

### Innovation and Intellectual Property

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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.