

Responsible Sourcing and Human Rights

Responding to Stakeholder Concerns

As part of our commitment to transparency we publish details of where we have been challenged by NGOs and campaigners on human rights in our supply chain and the details of our response and resolution.

This includes being transparent when we are challenged and responding to these challenges in the right way. We always do everything we can to be open and transparent – both in the information we make public and the way we share it. This includes taking every opportunity to learn when things don't go to plan and to make the necessary improvements in order to continue to be a responsible business.

We aim to enhance the lives and support the local communities of the people who work for and with us. We're committed to source responsibly and we work closely with our suppliers to make sure they respect human rights, promote decent working conditions and improve sustainability across our supply base.

Please see below some examples of third party enquiries we've received since 2014:

2023

CLEAN CLOTHES CAMPAIGN REQUEST FOR BRANDS SUPPORT FOR “THE NEW MINIMUM WAGE IN BANGLADESH FOR THE RMG SECTOR” IN AUGUST 2023

Sourcing responsibly and ethically is fundamental to how we do business, and all of our suppliers must adhere to our Global Sourcing Principles designed to uphold all human rights and ensure employees are provided with safe and fair working conditions. Supplier partners must pay a fair wage and benefits, ensuring that workers' wages meet basic needs and uphold the right for an adequate standard of living as described in the Universal Declaration of Human Rights. Supplier partners must have a transparent process to ensure that workers fully understand the wages that they receive. In addition, Supplier partners must respect their workers' right to freedom of association. M&S Global Sourcing Principles

Therefore, we support the process of the tri-partite negotiations in Bangladesh between the Unions, the Government Wages Board and the

Employers' Associations and we do not condone harassment of trade union leaders and we support freedom of association.

As a member of the ETI we were made aware that they, together with amfori, Fair Labor Association (FLA), Fair Wear, and Mondiaal FNV, sent a letter to the Chairman of Bangladesh's Minimum Wage Board, supporting an increase in the minimum wage for the ready-made good sector and we also support the main points of the letter as outlined in their statement: ETI statement

2022

M&S STATEMENT ON THE MYANMAR ENHANCED DUE DILIGENCE SECTORAL ASSESSMENT

At Marks & Spencer, ethical trading is core to the way we do business. We have continued to monitor the market closely in Myanmar, through our partnership with the Ethical Trading Initiative, as well as on-the-ground audit process.

The findings from the Myanmar Enhanced Due Diligence Sectoral Assessment demonstrate that it is impossible for our Global Sourcing Principles to be upheld. We do not tolerate any human rights abuses within any part of our supply chain and are now working towards a responsible exit from Myanmar, in line with our Responsible Exit Policy, which will see an exit by March 2023.

Over the next six months, we will continue to work closely with relevant stakeholders including the Ethical Trading Initiative throughout the consultation process, to ensure that our suppliers adhere to national laws and human rights are upheld. We are also looking at what additional measures we can put in place to mitigate the effects of the decision on the individual workers in Myanmar.

2021

NON-PAYMENT OF THE VARIABLE DEARNESS ALLOWANCE (VDA) IN THE KARNATAKA REGION OF INDIA

Issues around the minimum wage for workers in the Karnataka region of India have been ongoing since April 2020. Non-payment of the Variable

Dearness Allowance (VDA) in Karnataka is a multi-sector issue, not limited to the garment industry, and the case being heard by the High Court of Karnataka relating to the re-payment of VDA was postponed multiple times. We recognise the increased risk of forced labour and exploitation as a result of delayed or unpaid wages.

We worked with the ETI and Brands Ethical Working Group to insist that all workers in Karnataka be paid the Mandatory Minimum Wage and all arrear payments of VDA. We engaged our suppliers in the state directly, making clear our expectation that these conditions be met with immediate effect. We also collaborated with other stakeholders to lobby for a pay ruling and support of the court hearings in order to get a resolution. In February 2022, we reached a successful resolution, and due to pressure from the Brands Ethical Working Group and external stakeholders, all of our suppliers committed to repay VDA wage increases for both 2020 and 2021, regardless of any outstanding court decision.

2020

COVID-19

The impact of COVID-19 across the clothing sector was completely unprecedented and has been felt acutely by both retailers and our suppliers. We are very proud to have strong long-term relationships with our clothing suppliers; in fact, we have worked with over 70% of our supply base for over seven years.

We continue to track changes in each country and maintain regular contact with our suppliers and factories working through a plan which is as follows:

- We have paid and continue to pay for all shipped products
- Whilst our previous standard payment terms (75 days) have been extended to 120 days in response to Covid-19, we are continuing to offer supply chain finance which means suppliers get early access to cash regardless of payment terms
- We have taken precautionary steps to ensure suppliers are implementing safeguarding measures to protect garment workers. This includes social distancing, sanitising practices, providing adequate protective equipment and additional awareness training about the virus

- We fully support the efforts of the Ethical Trading Initiative and our partner the International Labour Organization who are facilitating the coordination and distribution of emergency relief funds, supporting safe working where manufacturing continues and co-ordinating an industry-wide response. We endorsed the “COVID-19: Action in the Global Garment Industry” which you can read on the ILO’s website
- We were also involved in submitting proposals to DFID to support their COVID-19 Vulnerable Supply Chains Facility (VSCF), to form partnerships that support and respond to the challenges that COVID-19 presents within DFID-priority countries and ensure the most vulnerable workers and suppliers are prepared for the anticipated economic and social shocks
- More widely, we remain committed to our Global Sourcing Principles that outline how we work with suppliers in relation to human rights, sustainability and decent working conditions