

Ethical Audit – Foods

All sites used by suppliers of Retail Products and M&S Controlled Raw Materials ('A List') including processing and packing sites must be registered on the [Supplier Ethical Data Exchange \(Sedex\)](#). [Sedex](#) is the largest collaborative platform for sharing ethical supply chain data. Each must be linked to M&S Food on the system and have completed in full the [Sedex](#) Self-Assessment Questionnaire (SAQ) modules on labour standards, health and safety, environment, and business ethics.

Suppliers are risk assessed, based on their location and the nature of their supply chain, for audit requirements. The Sedex Radar Agricultural Country risk assessment is used to determine country risk. Sites that require an ethical audit must do so on a two-year cycle. All audits must be uploaded onto the Sedex Platform, and must be a semi-announced Sedex Members Ethical Trade Audit (SMETA).

All new sites supplying into M&S must have registered on [Sedex](#), completed the SAQ modules in full, and have had a valid audit prior to production starting.

We may in certain circumstances consider accepting [SA 8000](#) and [Business Social Compliance Initiative \(BSCI\)](#) audits (if, for instance, they have been conducted within the last year) and the full reports are made available to us for review. Additional requirements also exist for suppliers of specific categories of product (e.g. [Fairtrade certified items](#)).

Based on the results of the audit, suppliers are assigned a rating based on the number and severity of issues raised, as follows:

Grading	Minor	Major	Critical
Red	10+	10+	1 or more
Bronze	10+	4-9	0
Silver	4-9	1-3	0
Gold	0-3	0	0

We use the [SMETA Non-Compliance Guidance](#) to assess the severity of issues.

We also require all sites with more than 50 workers to have in place an elected worker committee or trade union.

Tracking of ethical non-compliance Issues

We actively track and follow up on our suppliers' progress towards what they've agreed to address within their Corrective Action Plans as shown in the table below.

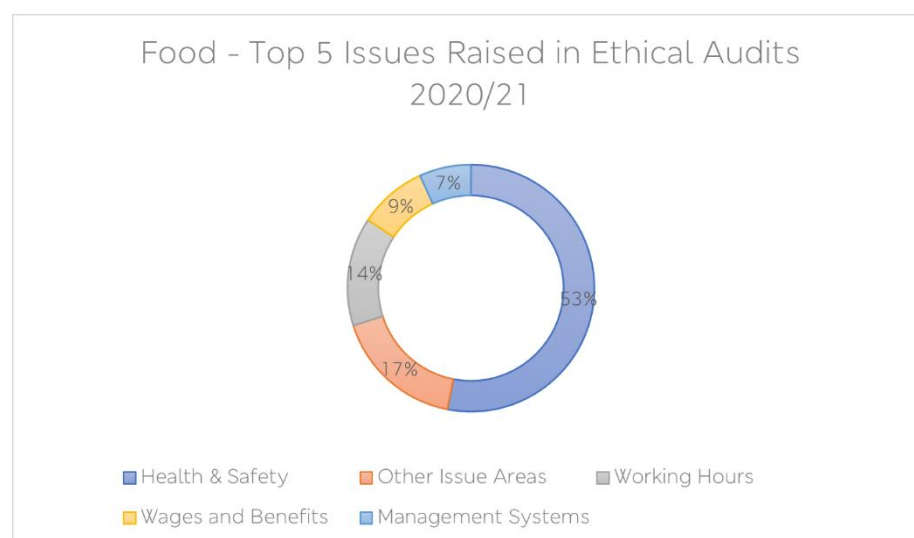
Table 1: Number of sites and workers on Sedex and location of audits. M&S Food Direct Supplier Sites Audit Data - 01/04/2021 to 31/03/2022

2021-2022					
Continent	Suppliers sites	Audited Supplier sites	Workers at supplier sites	Improvement Required	Improvement Required per audit
Africa	50	23	35819	112	4.87
Asia	42	23	12515	110	5.00
Europe	937	273	249933	1358	4.48
North America	8	2	1474	3	1.00
Oceania	15	1	1548	1	1.00
South America	37	15	17405	157	10.47
Total	1089	337	318694	1741	4.74

The following chart (Figure 1) presents the top 5 ethical trade non-compliance issue areas identified through ethical audits.

Non-compliance issues related to forced labour ('Employment is Freely Chosen'), 'Freedom of Association and Collective Bargaining' and 'Discrimination' were less commonly identified. In part, this reflects how difficult it is to identify these more hidden or subtle issues through ethical audits.

Figure 1: Top 5 ethical non-compliance issue areas identified through audits in 2020/21



** M&S Salient Human Rights Issue – [find out more about our approach to respecting human rights.](#)

Within the Food business we have rolled out 'nGaje', our worker voice programme, throughout our UK supplier base. We are clear that this does not replace supplier partners'

own surveys. The programme asks colleagues to agree or disagree with 13 statements to help us understand worker sentiment at our supplier partner sites. Surveys are completely anonymous and can be undertaken in multiple languages. We also offer the opportunity for workers to input their comments directly; in the first year of operating this programme we received over 29,338 worker responses, including over 4,000 free-text comments. We are able to provide supplier partners with their overall score for each area of focus and, where necessary, create an action plan to improve sentiment.

Reporting transparently on our own-label supply chain practices and operations is core to our approach to sourcing. We publish data within the M&S Interactive Supply Chain Map, disclosing our Tier 1 supply chain across Food and C&H. This scope also includes some raw materials, including wool, man-made cellulosic fibres, beef, fish and seafood, dairy, and tea and coffee, and is updated on a six-monthly basis.