

Ethical Audit Methodology – Clothing and Home

All of our first tier production sites (which we define as making whole/finished products carrying an M&S label or are identifiable as an M&S product) are required to have an annual ethical audit. The majority of sites use Supplier Ethical Data Exchange (Sedex) ethical audit methodology and are registered on Sedex. Sedex is the largest collaborative platform for sharing ethical supply chain data.

All SMETA ethical audits must be conducted to the [2-Pillar Sedex Members Ethical Trade Audit Methodology \(SMETA\)](#) by a third party independent audit company, which is based on the ETI Base Code and International Country Laws.

Once approved, suppliers are required to sign to confirm that they will comply with the [Global Sourcing Principles](#).

We do not accept production from non-approved factories or sites that differ from our contracts system for each specific contract. Sites unknown or not approved by M&S are considered to be illegal sub-contracting and a breach of our terms of trade.

We require audits to be done on a semi-announced basis within an audit window. We do, however, reserve the right to conduct unannounced audits.

We will also accept second party [SMETA](#) audits undertaken by individuals who have completed the [IRCA](#).

registered three-day auditing course and had two successful witnessed audits.

We may in certain circumstances consider accepting Better Work assessments, Fast Forward, [WRAP](#), [ICTI](#), [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.

Based on the results of the audit, the relevant Regional Compliance team assign a rating based on the number and severity of issues raised, as critical, high risk or low risk.

With the exception of the following fire safety issues (which we consider as critical rather than major) we use the [SMETA Non-Compliance Guidance](#) to assess the severity of issues:

- Locked or blocked aisles/exits preventing use
- Firefighting equipment inaccessible, insufficient, unusable or wrong type or no training on its use
- No fire alarm
- No evacuation procedures, drills or training
- No, or inadequately functioning, emergency lighting
- Systematic failures in health and safety systems

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

We have specific policies and guidelines to manage instances of child labour and illegal sub-contracting.

Newly proposed sites that are rated as critical will not be approved for set-up and production, until all the critical issues have been resolved. As a minimum, the factory will be rejected for 12 months. Any existing sites identified as critical are managed in accordance with our Critical Escalation Procedure and may be disengaged if they remain critical after three follow-up reviews (typically 3–6 months).

Corrective Action Plans must be uploaded onto Sedex and all actions completed within the recommended timescales.

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